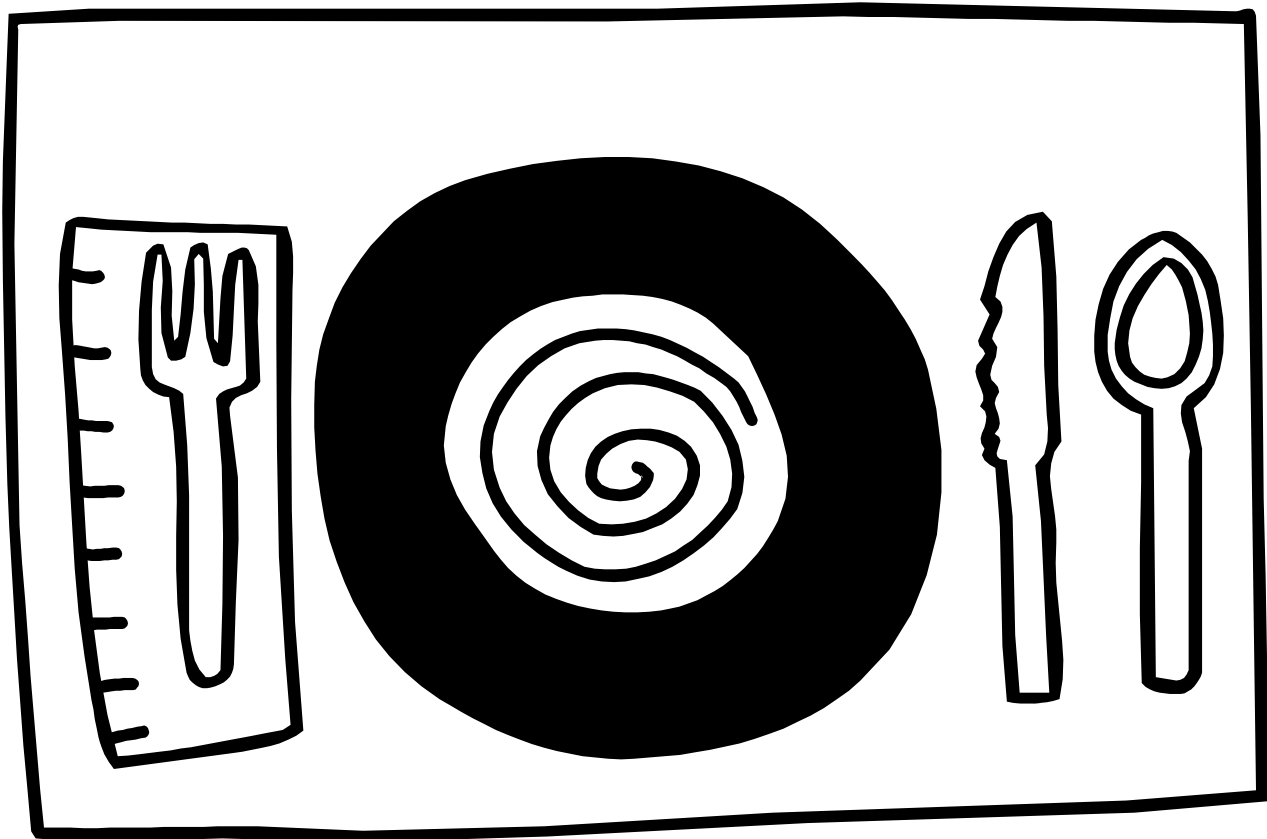


# CHILD AND ADULT CARE FOOD PROGRAM



## ADULT DAY CARE CENTER POLICY MANUAL

**ARIZONA DEPARTMENT OF EDUCATION  
CHILD NUTRITION PROGRAMS**

**CHILD AND ADULT CARE FOOD PROGRAM  
Adult Day Care Center Policy Manual**

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# **CHAPTER 1**

## **INTRODUCTION**

**Section 1.1: General Information**

Good nutrition is an essential component necessary for the maintenance of health for participants in adult day care. Those responsible for feeding participants in adult day care centers have a great and important responsibility:

- To serve wholesome and attractive meals that meet participant's nutritional needs; and
- To make meal time a pleasant and sociable experience.

Sharing in this responsibility is the staff of the Child and Adult Care Food Program (CACFP). The CACFP is a U.S. Department of Agriculture (USDA) program that is administered by the Arizona Department of Education (ADE). The primary goal of the CACFP is to improve and maintain the health and nutritional status of children and adults in care while promoting the development of good eating habits. Programs participating in the CACFP must serve meals to *all* enrolled participants.

Together, the ADE and adult day care providers can maintain a commitment of a high quality of care. This procedure manual is designed to give providers instructions on how to operate the CACFP and serve wholesome and attractive meals that meet the nutritional needs of the participants in their care.

This policy and procedure manual is designed to provide sponsors with instructions on how to administer the CACFP and to help ensure wholesome, nutritious meals are served to participants in adult care centers. The contents of this manual are based on Federal Regulation 7 CFR 226 and other instructions and policies set forth by the United State Department of Agriculture and the Arizona Department of Education

This manual is intended to provide guidance for the administration of the Child and Adult Care Food Program. This manual is also intended to be used in conjunction with other CACFP manuals and resources such as, *CACFP Eligibility Guidance Manual for Center-based Programs*, *CACFP Management Handbook*, and the *CACFP Creditable Foods and Buying Guide*.

**Section 1.2: Glossary**

**Adult Care Center** - any public or private non-profit organization or any for-profit Title XIX or Title XX center which is licensed or approved by federal, state, or local authorities to provide nonresidential adult care services to functionally impaired adults or persons 60 years of age or older in a group setting outside their home on a less than 24 hour basis and provides for such care and services directly or under arrangements made by the agency or organization whereby the agency or organization maintains professional management responsibility for all such services. Such centers shall provide a structured, comprehensive program that delivers a variety of health, social and related support services to enrolled adult participants through an individual plan of care.

**Adult Participant** – A person enrolled in an adult day care center who is functionally impaired or is 60 years of age or older.

**Advance Payments** - Financial assistance made available to an organization for its estimated average Program costs.

**Arizona Department of Education (ADE)** - The State Agency designated by legislative authority of the State of Arizona and has been approved by the U. S. Department of Agriculture to administer the CACFP.

**Child and Adult Care Food Program (CACFP)** - A program that provides Federal funds to non-residential child and adult day care facilities, emergency shelters and certain after school care programs to serve nutritious meals and snacks.

**Child Nutrition Programs (CNP)** - Federally funded programs administered through the U.S. Department of Agriculture. These programs include the CACFP, National School Lunch Program, School Breakfast Program, Summer Food Program, Special Milk Program, and Food Distribution Program.

**Claiming Percentage** – A method for computing reimbursement. Using this method, daily meal counts do not have to be maintained separately for each income category (Free, Reduced, and Paid). Instead, each month the total number of participants eligible for each category is divided by total enrollment to determine a claiming percentage for that category. The percentage for each category is then multiplied by the total number of each meal served for that month to establish the number of Free, Reduced, and Paid meals to be reimbursed.

**Creditable Foods** - Foods that meet regulations governing the CACFP in terms of nutrient content, meal pattern requirements, standards of identity, and other foods that may be counted toward meeting the requirements for a reimbursable meal.

**Current** – Period within the past twelve months prior to the submission of an application to participate in the CACFP.

**Current Income** - Income received by the entire household during the month prior to completing an income application.

**Cycle Menus** - Set(s) of menus planned and rotated for at least a minimum of a four-week interval.

**Department of Health Services (DHS)** - The State agency designated by legislative authority of the State of Arizona to issue a license upon inspection and approval of an adult care facility and its operations.

**Economic Unit** - A group of related or unrelated individuals sharing housing and/or all significant income and expenses.

**Enrolled Participant** - A participant whose parent or guardian has submitted a signed document to an adult care center which indicates that the participant is enrolled for adult care.

**Fiscal Year** - A federal period of 12 calendar months beginning October 1 of any year and ending with September 30 of the following year.

**Food and Nutrition Services (FNS)** - The division of the U.S. Department of Agriculture that administers the CNP at the federal level.

**Food and Nutrition Services Regional Office (FNSRO)** - One of the seven U.S. Department of Agriculture regional offices that administers the CNP. Arizona is under the Western Region Office (WRO).

**Food Service Agreement** - A signed agreement between an adult care institution and the State Agency for the purpose of operating the CACFP in compliance with the regulations governing the Child Nutrition Programs.

**Food Service Vendor/Provider** - A company or a public or private school with which a sponsor may contract for preparing and/or delivering meals for use in the CACFP.

**Functionally impaired adult** - chronically impaired disabled persons 18 years of age or older, including victims of Alzheimer's disease and related disorders with neurological and organic brain dysfunction, who are physically or mentally impaired to the extent that their capability for independence and their ability to carry out activities of daily living is markedly limited. Activities of daily living include, but are not limited to, adaptive activities such as cleaning, shopping, cooking, taking public transportation, maintaining a residence, caring appropriately for one's grooming or hygiene, using telephones and directories, or using a post office. Marked limitation refers to the severity of impairment, and not the number of limited activities, and occur when the degree of limitation is such as to seriously interfere with the ability to function independently.

**Household (Family)** - A group of related or unrelated individuals, who are not residents of an institution or boarding house, but who are living as one economic unit as defined under the definition of "economic unit".

**Income Affidavit** - A form completed by each household for a participant enrolled in an adult care center to determine eligibility for participation in the CACFP.



**Income Guidelines** - Family size and income standards prescribed annually by the United States Department of Agriculture based on the federal poverty guidelines of income at or below 130% for Free, income above 130% but, at or below 185% for Reduced, and income above 185% for Paid.

**Income to the program** - Any funds used in an institution's food service, including, but not limited to: all monies received from Federal, State, intermediate or local government sources; payment for participant's meals and food service fees; income from any food sales to adults; and other income, including grants or cash donations from individuals or organizations.

**Independent Center** - A center which enters into an agreement with the State Agency to assume final administrative and financial responsibility for the CACFP operations.

**Institution** - A sponsoring organization, child care center, preschool, outside-school-hours care center or adult day care center which enters into an agreement with the State agency to assume final administrative and financial responsibility for the CACFP operations.

**Internal Revenue Service (IRS)** - The Federal agency that grants non-profit, tax-exempt status to sponsoring organizations.

**Meals** - Food which is served to enrolled participants in adult care centers for breakfast, lunch, supper and snacks which meets the nutritional requirements as established by the CACFP and claimed for reimbursement.

**Medicaid Participant** - an adult participant who receives assistance under Title XIX of the Social Security Act, the Grant to States for Medical Assistance Programs - Medicaid.

**Milk** - Pasteurized fluid types of unflavored or flavored milk, low-fat milk, skim milk, or cultured buttermilk which meet State and local standards for such milk. All milk should contain vitamins A and D at levels specified by the Food and Drug Administration and be consistent with State and local standards for such milk.

**Non-pricing Program** – A meal service program in which there is no separate identifiable charge made for meals served to enrolled participants.

**Nonprofit Food Service** - All food service operations conducted by the institution wherein all CACFP reimbursement funds are used solely for the operation or improvement of such food service.

**Nonresidential** - Enrolled participants are not maintained in care for more than 24 hours on a regular basis.

**Operating Costs** - Allowable expenses incurred by an institution in serving meals to participants enrolled in the CACFP.

**Pricing Program** – A meal service program in which a separate identifiable charge is made for meals served to enrolled participants.

**Program** - The CACFP authorized by Section 17 of the National School Lunch Act.

**Program Year** - A federal year as defined under the definition of “fiscal year”.

**Proprietary Title XIX center** - any private, for-profit center providing nonresidential adult day care services for which it receives compensation from amounts granted to the states under Title XIX of the Social Security Act and in which Title XIX beneficiaries were not less than 25 percent of enrolled eligible participants in the calendar month preceding initial application or annual reapplication for Program participation.

**Proprietary Title XX Center** - Any private, for-profit center: (a) providing nonresidential day care services for which it receives compensation from Title XX of the Social Security Act, and (b) in which no less than 25 percent of the enrolled participants or the license capacity are Title XX beneficiaries during the calendar month preceding initial application or annual renewal application for Program participation, or during any month for which reimbursement is claimed.

**Reimbursement** - Federal financial assistance paid to institutions for creditable meals or snacks served to enrolled participants.

**Sponsor** - a sponsoring organization or adult day care center which enters into an agreement with the State agency to assume final administrative and financial responsibility for Program operations.

**Sponsoring Organization (SO)** - A public or nonprofit private organization which is entirely responsible for the administration of the food program in: (a) one or more day care homes; (b) a child care center, outside-school-hours care center, or adult day care center which is a legally distinct entity from the sponsoring organization; (c) two or more child care centers, outside-school-hours centers, or adult day care centers; or (d) any combination of child care centers, day care homes, outside-school-hours care centers and adult day care centers. The term “sponsoring organization” also includes a for-profit organization which is entirely responsible for administration of the Program in any combination of two or more care centers and outside-school-hours care centers which are part of the same legal entity as the sponsoring organization, and which are for-profit Title XX centers.

**SSI participant** - an adult participant who receives assistance under Title XVI of the Social Security Act, the Supplemental Security Income (SSI) for the Aged, Blind and Disabled Program.

**State Agency (SA)** - The agency designated by the legislative authority of the U.S. Department of Agriculture to administer the CACFP.

**U.S. Department of Agriculture (USDA)** - The Federal agency responsible for the administration of the Child Nutrition Programs.

**Section 1.3: Administration**

At the national level, the U.S. Department of Agriculture (USDA), Food and Nutrition Services (FNS) administers the CACFP. The national office develops regulations, publications, and forms, and establishes the policies necessary to carry out the Program. The national office is also responsible for oversight of the Program and providing guidance to ensure delivery of Program benefits to eligible participants.

The Arizona Department of Education is the State Agency that administers the CACFP in Arizona. The office is located at:

**Arizona Department of Education  
Division of Student Services/Child Nutrition Programs  
2005 North Central Avenue  
3<sup>rd</sup> Floor  
Phoenix, AZ  
TEL: (602) 542-8700  
FAX: (602) 542-3818**

The mailing address is:

**Arizona Department of Education  
Child Nutrition Programs, Bin 7  
1535 West Jefferson Street  
Phoenix, AZ 85007**

Information is also available on our website:

[www.ade.az.gov/health-safety/cnp/cacfp](http://www.ade.az.gov/health-safety/cnp/cacfp)

Units that support CNP functions at the Arizona Department of Education are:

**BUSINESS AND FINANCIAL SERVICE**

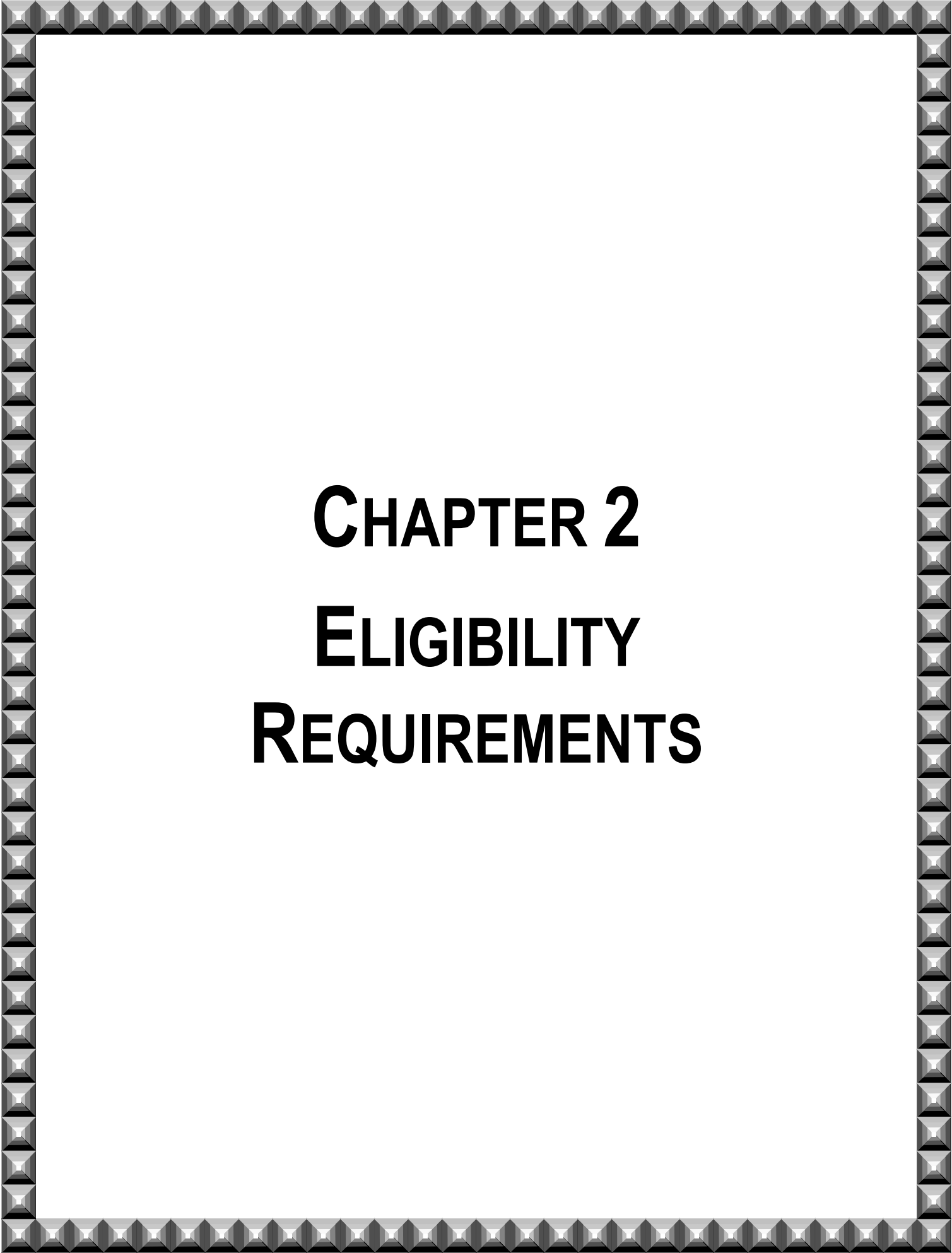
**Accounting Unit  
(602) 542-4277**

**Financial/Claims Unit  
(602) 542-8714**

**Section 1.4: Administrative Assistance**

The following assistance can be expected with participation in the CACFP:

- Training on Program policy and requirements, application procedures, food program administration procedures and nutrition education;
- Monitoring of adult care centers to ensure that the food program is administered in accordance with Program regulations and requirements;
- Technical assistance and consultation;
- Information on audit and administrative review requirements;
- Timely application processing;
- Reimbursement for eligible meals;
- Forms, publications and guidelines to assist with Program operations;
- Procedures for adult care centers to appeal decisions affecting participation or reimbursement;
- Procedures to ensure that adult care centers do not discriminate on the basis of national origin, race, color, gender, age, disability. (Not all prohibited bases apply to all programs.)
- Distribution of CACFP guidance and resource materials.



# **CHAPTER 2**

## **ELIGIBILITY REQUIREMENTS**

**Section 2.1: Eligible Participants**

**Adult day care centers** must meet the following criteria to be eligible to participate in the CACFP:

- Serve functionally impaired adults and/or adults age 60 and over.
- Provide a structured comprehensive program. A structured comprehensive program provides a regular daily schedule of group and individual activities. Activities should include health, social, and related support services and should vary to accommodate the needs of the participants and their Individual Service Plans of care (ISP)
- Develop and maintain an ISP for every functionally impaired participant. The plan of care is designed to maintain the participant at his or her current level or restore the participant to a level of self-care. The plan must be written and should contain at minimum:

Shelters, vocational or substance abuse rehabilitation centers, and social centers do not qualify as adult day care centers for the purposes of CACFP participation.

**Section 2.2: Non-profit Centers**

**Public or private non-profit centers** must meet the following criteria to be eligible to participate in the CACFP:

- Provide non-residential adult care.
- Have tax-exempt status under the IRS Code Section 501(c) 3.\*
- Be licensed by DHS

**Adult Care Centers on Indian Reservations** are eligible for CACFP participation. A center on the reservation must submit the environmental health survey report or sanitation permit issued by Indian Health Services in place of DHS licensing.

\* The sponsor may participate without tax-exempt status if the sponsor is part of a military operation or is operating another Federal program which is operating that requires tax-exempt status; or the sponsor is organized for a religious purpose.

**Section 2.3: Proprietary Centers**

**Proprietary or for-profit centers** must meet the following criteria to be eligible to participate in the CACFP:

- Provide non-residential adult care.
- Be licensed by DHS **or**
- Receive compensation under Title XIX and/or Title XX of the Social Security Act for at least 25% of the total enrollment or license capacity (whichever is less).

For each month of the contract period, the sponsor must determine the percentage of enrolled participants which are Title XIX and/or Title XX beneficiaries. If less than 25 percent of the enrolled participants are Title XIX and/or Title XX beneficiaries, the sponsor cannot claim meals for that month. For the purposes of the Child and Adult Care Food Program, enrollment includes any participant who was enrolled, is eligible for CACFP benefits, and attended at least one day during the month. A participant is considered to be a Title XIX and/or Title XX beneficiary if he/she was a recipient of the particular funding source for at least one day in the claim month.

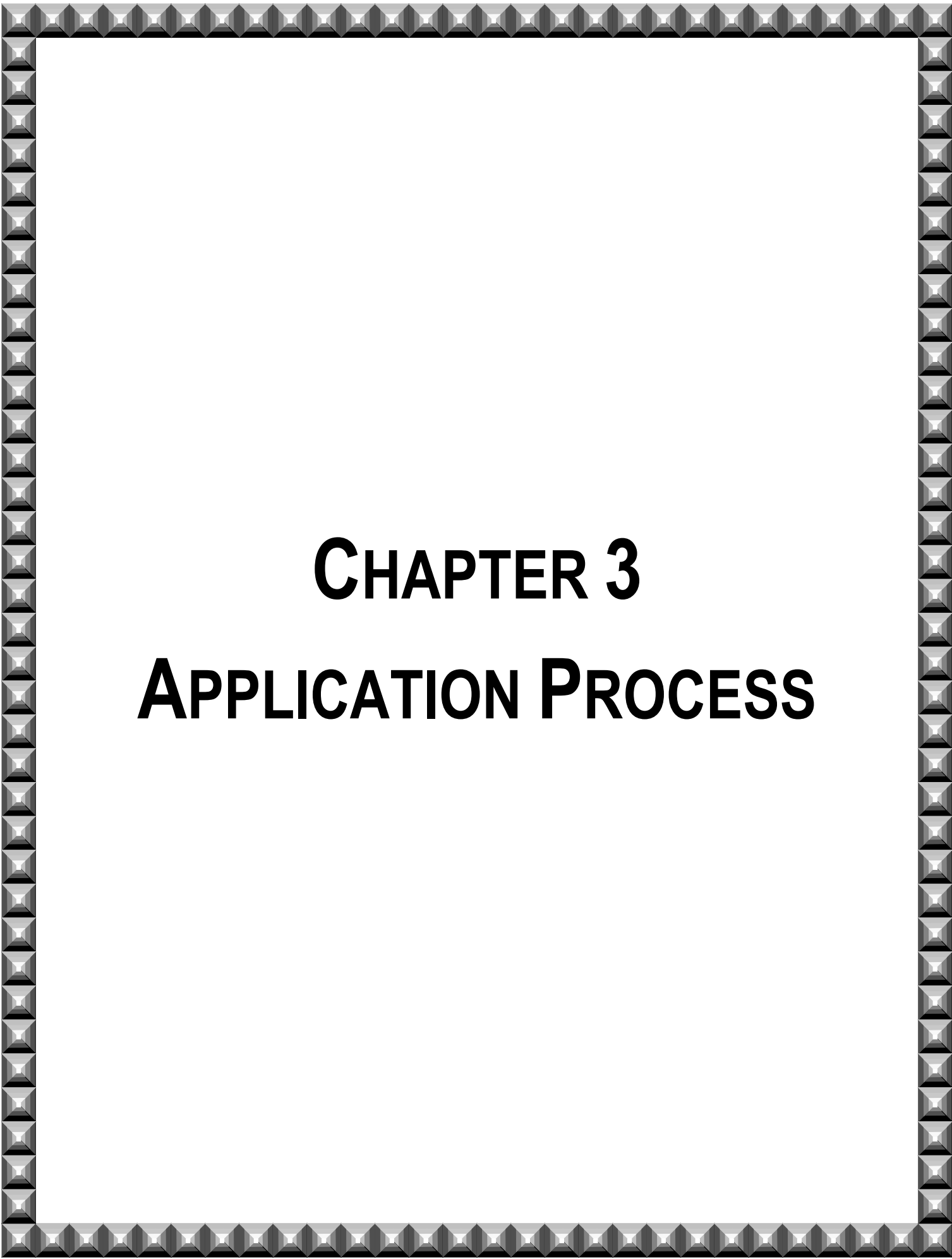
\* A center receiving both Title XIX and Title XX funds may establish eligibility based on both sources.

**2.4 Title III Funding**



CACFP reimbursement cannot duplicate reimbursement under Part C of Title III of the Older American's Act for the same meal served. A single meal cannot be supported by funds from both the CACFP and Title III. This prohibition includes the commodity benefit currently available under Title III.

An adult day care receiving funds from both Title III and CACFP must implement a financial management system that can show that Title III funds are not being used to support CACFP meals.



# **CHAPTER 3**

## **APPLICATION PROCESS**

**Section 3.1: Application for Participation**

An application for participation in the CACFP must be submitted to ADE/CNP. Once a sponsor has completed an initial application, they must complete a renewal application at the start of every fiscal year. The fiscal year runs October 1<sup>st</sup> of the current year through September 30<sup>th</sup> of the following year. Application for participation in the CACFP may be made using a hard copy application or by completing the web-based application via the internet. Regardless of which method is used to apply to the Program, detailed instructions for completing and submitting all of the required documentation are provided with the application.

Complete applications received by ADE/CNP will be processed within 30 days.

Application will be notified within 15 days if their application is incorrect or missing information.

A sponsor may file an appeal if the application was denied.

### Section 3.2. Additional Application Requirements

In addition to the information discussed in Section 3.1, the following information must be submitted as it applies:

#### License or Approval

The CACFP requires facilities that operate the CACFP must be licensed or approved by Federal, State or local authorities or must demonstrate compliance with applicable State or local adult care standards if licensing is not available. License or approval documents must be current. Sponsors whose license or approval have been suspended or revoked must notify ADE immediately. The following documentation must be submitted to meet license or approval requirements:

- DHS License – A copy of the compliance evaluation report or provisional license may be submitted if the sponsor has not yet received the official license. It is the responsibility of the sponsor to provide ADE a copy of the official license once it is received. If DHS denies issuance of or revokes a license, the sponsor must notify ADE immediately. ADE shall terminate the participation of the sponsor until such time a license is issued.
- Environmental Health Survey or Sanitation and Building Permit – Adult care facilities on Indian Reservations regulated by Indian Health Services must submit copies of the survey or permit.

#### Tax-Exempt Status

In order to participate in CACFP as a non-profit organization, sponsors or institutions must submit documentation that they have obtained tax-exempt status under the IRS Code Section 501(c)3. Sponsors moving toward compliance with the requirements for tax-exempt status may participate in the Program as a proprietary center, provided the Title XX requirement is met, until tax-exempt status is obtained. For more information on the Title XX requirement, please refer to section 2.3

**Section 3.3: Application Changes**

Sponsors participating in the CACFP are required to complete all information required for application approval. Once the application has been approved, changes throughout the current fiscal year may be completed on-line or submitted in writing to ADE.

The sponsor shall update ADE with the following changes:

- Address
- Telephone number(s)
- Name change(s) or program contact
- Adding or terminating/dropping site(s)
- Adding or discontinuing a meal and/or snack
- License/approval status
- Licensed or approved capacity
- Tax-exempt status
- Management
- Other changes affecting reimbursement
- Authorized signers (if applicable)

Participation in the CACFP is non-transferable. New owners or owners with status change that requires a new license from the Arizona Department of Health Services must submit a new Program application. A sponsor must notify the ADE in writing 30 days in advance pending a status change in any of the following:

- Ownership – The sale or the intent to sell the adult care business or adult care facility.
- Management – Changes such as, but not limited to, from sole proprietorship to partnership, from corporation to incorporation, from sole proprietorship to incorporation, or any other change in legal status.
- Tax-filing status – The change affecting the Federal Tax Identification number or Employer Identification number.
- License or approval status - A change that may affect ownership, management and/or tax-filing status.

**Section 3.4: Addition of New Sites**

Sponsors may add additional sites to their application at any time during the fiscal year. Prior to CACFP participation, a sponsor must:

1. Conduct a pre-operational visit at the proposed site and complete the Pre-Operation Site Visit Form. This form is found in the CACFP Management Plan. Completed checklist must be maintained in Sponsor's permanent records.
2. Provide training to staff members at proposed new site. Training must include the benefits of CACFP participation, Program duties and responsibilities. Sponsor must maintain staff training records. Records include training agendas and rosters.
3. Collect a current CACFP Affidavit for Free and Reduced-Price Meals for every participant that attends the center. DES direct certification letters are acceptable in place of affidavits. Maintain the affidavits and direct certification letters in permanent records.
4. Complete a CACFP Center Site Application for the new site. Maintain a copy for your permanent records.
5. Update the Training Plan to include the new site. Sponsoring organizations with more than one site are required by Federal Regulations to provide training to staff no less than once a year on topics that relate to the food program. Records of this training must be maintained by sponsoring organization.
6. Update the Monitoring Plan to include the new site. Sponsoring organizations with multiple sites must conduct site reviews to assess compliance with meal patterns, record-keeping and other Program requirements. One copy of the Site Review must be maintained at the site and one in the Sponsoring Organization's permanent files.

**Submitting information for approval**

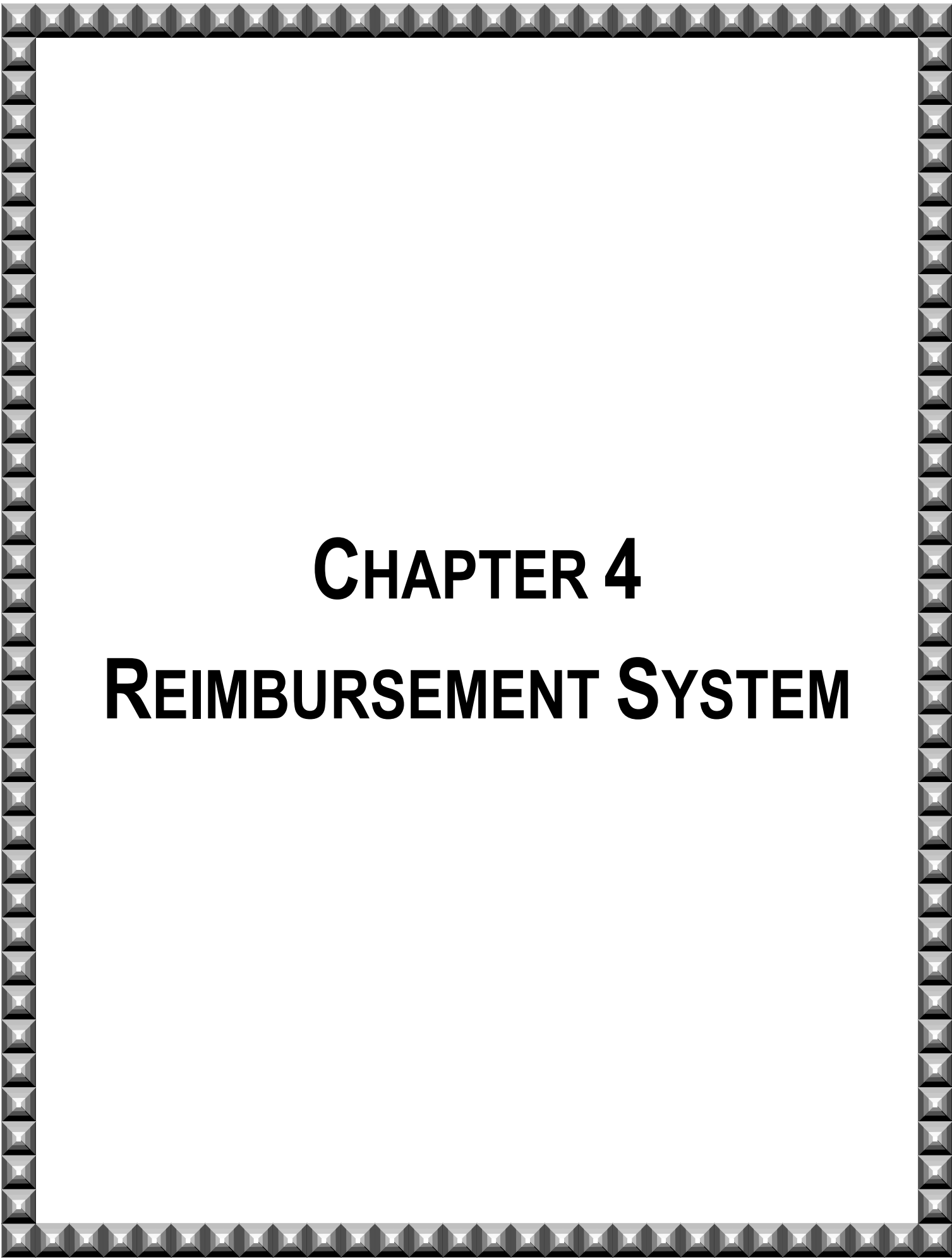
The following documents must be received by the Arizona Department of Education in order to initiate participation in the CACFP by the new site:

- Completed CACFP Center Site Application
- A copy of the current adult care license; and
- A copy of the updated Management, Training and Monitoring Plan.

**Section 3.5: Application Renewal**

An application for CACFP participation must be submitted to ADE annually. Applications for the new fiscal year are due October 1<sup>st</sup> (or the first business day of October).

Renewal applications are similar to the initial application. ADE provides sponsors the application and other required materials to renew participation each year. Renewal applications may be submitted using the web-based application system via the internet or as a hard copy application.



# **CHAPTER 4**

## **REIMBURSEMENT SYSTEM**



**Section 4.1: Reimbursement Rates**

Reimbursement rates are national payments for meals/snacks served to enrolled participants who participate in the CACFP. The ADE/CNP notifies sponsors of the CACFP reimbursement rates for the period July 1<sup>st</sup> of the current year through June 30<sup>th</sup> of the following year. The reimbursement rates are based on changes in the Consumer Price Index of the preceding year and published in the Federal Register by USDA. Current reimbursement rates are included the CACFP application materials.

Sponsors also receive cash-in-lieu (CIL) of commodities as additional assistance for each lunch or supper served. Current CIL rates are included in the CACFP application materials.

A claiming percentage is calculated on a monthly basis by ADE dependent on the family size and income level of the household of each enrolled participant for that month. Sponsors are responsible for maintaining current income eligibility information for each participant enrolled in the center. For further information on maintaining income eligibility, please refer to the *CACFP Eligibility Guidance Manual for Center-based Programs*.



### Section 4.3: Claims Processing

Claims for reimbursement may be submitted electronically via the internet or as hard copies.

Claims for reimbursement are due on the 10th of the month to the ADE/CNP Finance Unit. Federal regulations allow ADE forty-five (45) days to process claims. Claims received after the 10th of the month or claims that require correction by the sponsor are held until the next month for processing. If the 10<sup>th</sup> of the month falls on a weekend or holiday, the claim is due the following business day. Hard copy claims may be submitted to the Finance Unit by mail or by facsimile. It is not necessary to mail the claim if initially submitted by fax. Sponsors may call the ADE/CNP office to verify receipt.

Claims that are filed electronically with any errors will not be accepted for submission by the web-based system. Hard copy claims with any error cannot be processed for payment. The Finance Unit will attempt to contact the adult care administrator to correct the claim. The error must be corrected before processing can be completed. Correction of errors may delay payment until the next month. Accuracy in completing the claim is vital for timely payment. Once the claim is processed, the checks are generated and mailed to the address provided on the application.

The CACFP requires for-profit centers to maintain at least 25 percent Title XIX and/or Title XX recipients of the license capacity or enrollment, whichever is less, each month a claim is filed. To determine Title XIX and/or Title XX eligibility:

1. Determine the number of enrolled participants in attendance during the claim month. Participants in attendance include part-time and drop-in care. All participants in attendance must be included in the calculation regardless of whether they were claimed for a meal.
2. Determine the number of enrolled Title XIX and/or Title XX participants in attendance during the claim month.
3. Divide the Title XIX and/or Title XX participants by the total number of participants in attendance for the claim month. If this number is greater than or equal to .25 (25%), a claim may be submitted that month. If the number is less than .25, the center is not eligible to claim for that month.

Example: After reviewing the attendance records of the month of October, it is determined that 50 participants came at least one day during the month. Of those 50 participants, 12 were Title XIX and Title XX participants.

$$12 \div 50 = .24$$

The center is ineligible to claim for October because .24 is less than .25. Twenty-five percent (25%) of the total enrollment or the license capacity, whichever is less, must be Title XIX and/or XX recipients.

There is no Title XX requirement for non-profit centers.

Institutions must have a current DHS license each month a claim is filed. ADE/CNP will not reimburse an institution that does not have a current license or approval or for meals served in excess of license capacity at any one time.

Only authorized signers may sign hard copy claims for reimbursement. ADE must be notified in writing if there is a change in authorized signers. Changes must be indicated on the Authorized Signature Report and submitted to the CACFP prior to filing a claim. A change may include but not limited to, new staff and staff who are no longer employed by the institution. By signing the claim, the authorized signer certifies that the claim is correct and records are available to support the claim. Claims submitted via the internet can only be submitted with the use of a PIN number which serves as an electronic signature.

Sponsors whose program application was approved within 10 days of the end of the month or whose program participation ends within 10 days of the beginning of the month may combine the partial month with a full month on a claim for reimbursement. However, the claim for reimbursement may not be combined the last month of a fiscal year (September) with the first month of the next fiscal year (October) or when reimbursement rates change (June cannot be combined with July).

### **Late Claims**

A monthly claim for reimbursement must be submitted to ADE within 60 calendar days from the last day of the claim month. Claims filed after 60 days that result in an increase in reimbursement will not be processed unless a one-time exception is requested. (Refer to Section 4.4.) Revised claims resulting in a reduction of reimbursement may be submitted to ADE at any time.

**Section 4.4: One-Time Exceptions**

All claims or revised claims for reimbursement must be submitted within 60 calendar days from the end of the claiming month or claims cannot be paid. If they are not submitted within the 60-calendar-day period, the institution may request for an exception in one of two ways:

**Circumstances Within The Sponsor's Control:**

Each sponsor is allowed an exception for the submission of a late or revised claim that was *within the sponsor's control* if a similar exception has not been granted during the previous 36-month period. In order for the sponsor to receive this exception, the sponsor must submit an acceptable Corrective Action Plan (CAP) to ADE for approval. The CAP must contain the following:

1. A description of the problem contributing to the lateness of the claim.
2. Actions taken to avoid any future late claim submissions.
3. A statement recognizing the One Time Exception may be requested only every after three (3) years or a 36-month period, whichever is later.
4. The signature of the person who entered into the agreement with the State to operate the program.

Upon receipt of the CAP, it will be reviewed to determine whether it sufficiently addresses the reason for lateness and the actions to remedy the late submission. The CAP is approved, the late claim will be processed for payment. If it is not approved, ADE will advise you of the deficiencies which need to be addressed.

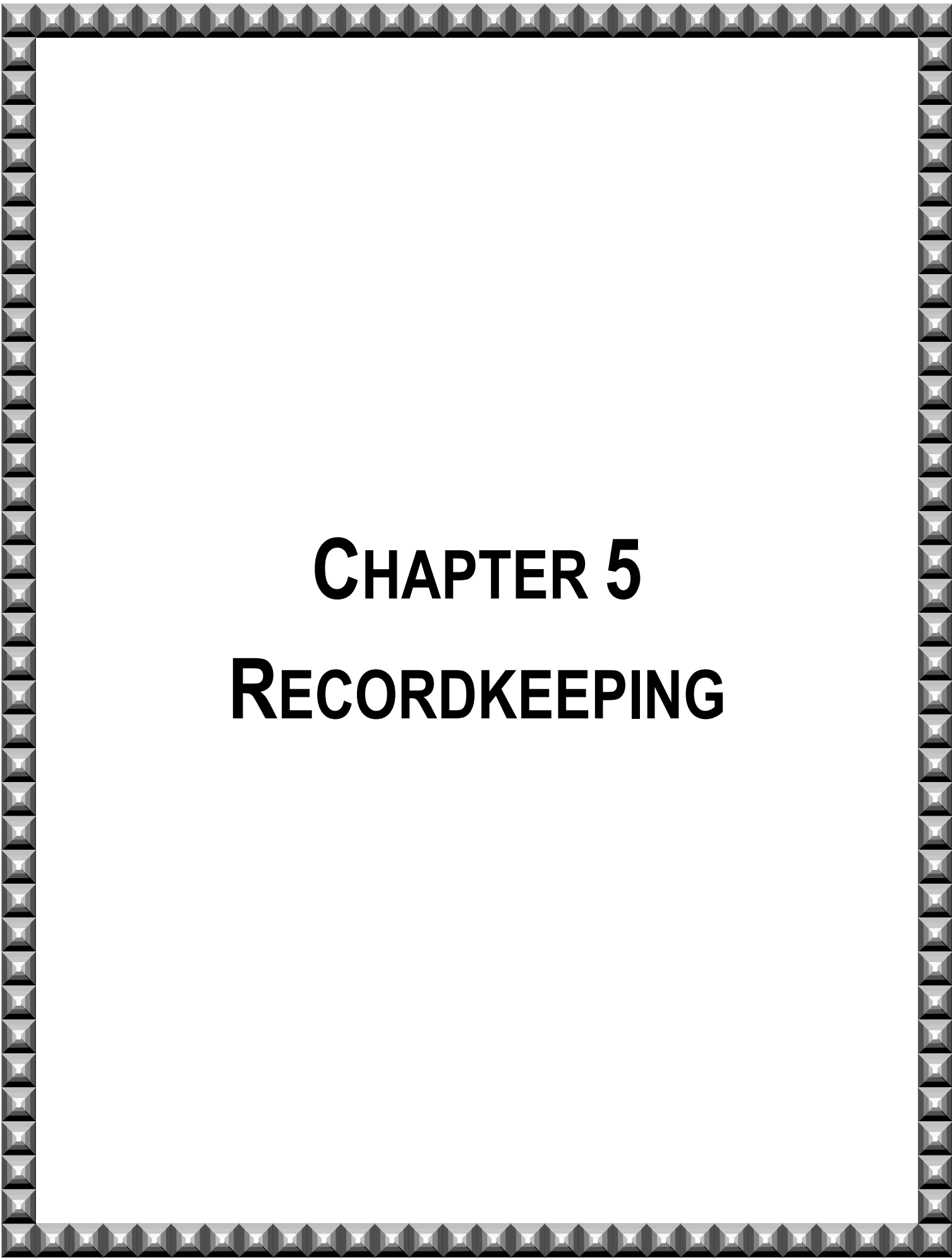
**Circumstance Beyond The Sponsor's Control:**

If the sponsor's claim is late due to circumstances *beyond the sponsor's control*, the sponsor may submit the claim with detailed and documented written evidence. ADE will review the sponsor's documentation and send it to the USDA Regional Office for approval. The Regional Office will analyze the evidence and make the final determination as to whether the circumstances warrant payment. If USDA does not approve, the sponsor may still request the one-time exception described above.

**Section 4.5: Advances**

An advance payment is financial assistance made available to institutions for Program costs prior to the period in which the costs are incurred. Advances are made monthly and recovered in the subsequent month after they are issued.

A request for an advance can be made when the institution submits an initial or renewal application for participation in the CACFP. If the institution is new and there is no claim history information on which to base the advance, a CPA audit is required. For new centers where CPA audits have not been conducted, the amount of advance may be paid based on the reimbursements of a similar adult care facility. ADE will notify the sponsor of the eligible amount of the advance in writing. The sponsor may accept or decline the full or partial amount of the advance by notifying ADE.



# **CHAPTER 5**

## **RECORDKEEPING**

**Section 5.1: Application Information**

Sponsors are required to submit an application each year to participate in the CACFP. Based on the information submitted in the application, ADE/CNP creates a computer database for each adult care center. The monthly claims for reimbursement submitted by the adult care center are compared to the information in the database.

The sponsor shall notify ADE of changes regarding any information which could affect the claims for reimbursement or its participation in the CACFP. (Refer to Section 3.4.) A delay in reimbursement may result for sponsors who fail to notify ADE of any changes.

Sponsors are required to maintain records for a period of five (5) years to support monthly claims for reimbursement and compliance with Program requirements. If administrative review or audit findings have not been resolved, the records shall be retained beyond the end of the five-year period or as long as it may require until such issues raised are resolved.

All accounts and records pertaining to the CACFP shall be made available upon request to representatives of the ADE-CACFP, the USDA, or the U.S. General Accounting Office for audit or review, at a reasonable time and place. If records are unavailable to support claims for meals paid for reimbursement, all meals will be disallowed which will result to an overpayment for which the sponsor will be responsible. The sponsor will then be listed as seriously deficient.



**Section 5.2: Attendance**Sign-In/Sign-Out Records

Attendance records must be maintained as part of the monthly CACFP recordkeeping. Standard sign-in/sign out records or an automated sign-in/sign-out system is acceptable. Daily attendance records cannot be used alone as a basis for completing the meal count record.

Enrollment Records

All participants in care and claimed for reimbursement must be enrolled. Drop-ins must also have enrollment records on file. The number of participants enrolled is the total number of participants who attended the center during the claim month, regardless of whether or not they ate a meal.

Income Affidavits

An income affidavit or eligibility documentation must be on file for each participant listed on the Free and Reduced claiming percentage rosters. Applications that are complete, signed and dated on or after September 1 are valid for the duration of the current fiscal year. For more information on maintaining income eligibility, please refer to the *CACFP Eligibility Guidance Manual for Center-based Programs*.

**Section 5.3: Title XIX/XX**Title XIX and/or Title XX Records (applicable to for-profit centers)

For each month a claim is filed for reimbursement, the center must verify that at least 25% of the total enrolled participants or license capacity, whichever is less, are Title XIX and/or XX beneficiaries. If the 25% Title XIX/XX criteria is not met for any given month, that center cannot file a claim for that month. To be counted as a Title XIX/XX beneficiary, a participant must receive compensation under Title XIX and/or Title XX of the Social Security Act and have attended the center at least once during the claim month.

**Section 5.4: Meal Counts**Daily Meal Count Records

Meal count records for each meal served during the month must support each claim for reimbursement. The meal count record must indicate the daily number of meals served to enrolled participants by type of meal: breakfast, lunch, supper or snack. Meal counts must be taken at *point of service*, (i.e. while participants are seated and eating) and recorded accurately.

Weekly Attendance Meal Record (WAMR)

Sponsors who serve more than two meals and a snack or two snacks a meal are required to maintain the weekly attendance meal record. As a reminder, sponsors can claim up to two meals and one snack, one meal and two snacks, or three snacks per participant per day.

Computer-Generated Meal Count System

Sponsors who utilize a computer-generated meal count system must obtain prior approval from ADE. Documentation of approval must be maintained on file. Sponsors may claim meals using a computer-generated meal count system effective the day approval was obtained from ADE. Meals will be disallowed if prior approval was not obtained or documentation of approval is not available.

**Section 5.5: Food Service Costs**

Costs associated with the CACFP are not reimbursable but are maintained to ensure that sponsors are operating a non-profit food service. Documentation must be available to demonstrate that sponsors are spending more to operate their food service than they are receiving in reimbursement from the Program. The following documentation must be maintained to demonstrate a non-profit food service operation.

**Food Service Cost Report**

The Food Service Cost Report is used to record the amount of money spent on CACFP food and supplies. Food expenses may include food, milk and other food items used to prepare a creditable meal. Expenses for supplies used in the food service may include paper products such as plates, plastic spoons/forks, and table napkins, cleaning supplies such as dishwashing detergent and bleach to sanitize dishes and kitchen equipment.

**CACFP Expense Worksheet**

The CACFP Expense Worksheet is used to record labor and facility costs associated with the Program. Labor costs include wages and benefits paid by the sponsor to employees directly involved in the operation and administration of the CACFP. Labor may include time allocated to food preparation and service, food purchasing, cleaning of the food preparation and service areas, supervision of meals, menu planning, or recordkeeping and other administrative duties.

Facility expenses are allowable costs related to the CACFP that may include fees for rent, utilities, or maintenance or other contracted services. The portion of each of these costs must equal the portion of the total facility that is used in the operation of the CACFP. Thus if 25% of the facility is used for the operation of the CACFP, then no more than 25% of the rent, utilities, and maintenance services may be reported on the claim.

**Title III Funding**

An adult day care receiving funds from both Title III and CACFP must implement a financial management system that can show that Title III funds are not being used to support CACFP meals.

### Section 5.6: Menus and Food Production Worksheets

#### Menus

Menus must be maintained for all meals claimed for reimbursement and must indicate all food components that meet the meal pattern requirements.

#### Production Worksheets

Production worksheets may be used to ensure that sufficient amounts of food were prepared for the number of participants claimed and Program staff served. Production worksheets should be completed in advance, prior to meal preparation and used as a tool to:

- Plan for the amount of food needed
- Be used as a food purchase list
- Record actual amounts of food used

New sponsors are required to maintain production worksheets for every meal claimed for CACFP reimbursement. Production records must be maintained until a CACFP Specialist determines that the meals served are sufficiently meeting CACFP meal pattern requirements. After such determination, production records may be maintained on a voluntary basis. If at any time ADE, or a representative thereof, determines that there is not adequate documentation to support fulfillment of the meal pattern requirements, production records will again be required for all meals.

Blank production worksheets and instructions for completing them are included in the *CACFP Creditable Foods and Buying Guide*. To obtain a copy of the buying guide, please contact the Child Nutrition Programs office.

**Section 5.7: Additional Documentation**Tax-Exempt Status (applicable to non-profit centers)

Non-profit centers must maintain documentation from the IRS of their tax-exempt status or the IRS 501 (c)(3).

License or Approval

Sponsors are required to have current license or approval if licensing is not available. Current DHS license or Environmental Health Survey. Maintain a copy of the license or approval that corresponds to each year of program participation.

Claims

Sponsors are required to maintain a copy of each claim filed for reimbursement.

Current Management Plan

All sponsors must have a copy of their current management plan on file for every year that they participate in the Program.

Individual Service Plan of care (ISP)

Sponsors must develop and maintain an ISP for every functionally impaired participant. The plan of care is designed to maintain the participant at his or her current level or restore the participant to a level of self-care. The plan must be in writing and should contain at minimum:

- An assessment of the individual's strengths and needs based on the following:
  - Information obtained from the participant and/or his or her family members,
  - A health profile,
  - A description of mental and emotional status,
  - Level of function in activities of daily living,
  - Support services available to the individual,
  - Possible need for services from other service providers, and
  - A current medical examination.
- A written plan of service, based on the assessment discussed above which specifies:
  - The goals and objectives of the planned care,
  - The activities to achieve the goals and objectives,
  - Recommendations for therapy,
  - Referrals to and follow-up with other service providers as needed, and
  - Provisions for periodic review and renewal.



# **CHAPTER 6**

## **CIVIL RIGHTS**

**Section 6.1: Data Collection**

Sponsors are required to obtain an annual statistical racial/ethnic breakdown of the area being served and maintain it on file with CACFP records. This is done by utilizing the year-end enrollment data of the nearest school in the area or by contacting the DES Research Administration Population Statistics Unit at (602) 542-5984.

Sponsors must also complete the Civil Rights Self-Evaluation annually and maintain it on file. The Civil Rights Self-Evaluation is included in the application packet.



**Section 6.2: Complaint Procedure**

The Procedure for Complaints of Discrimination is included in the CACFP application packet. This procedure must be maintained on file and be made available to any person who wishes to make a complaint to the USDA.

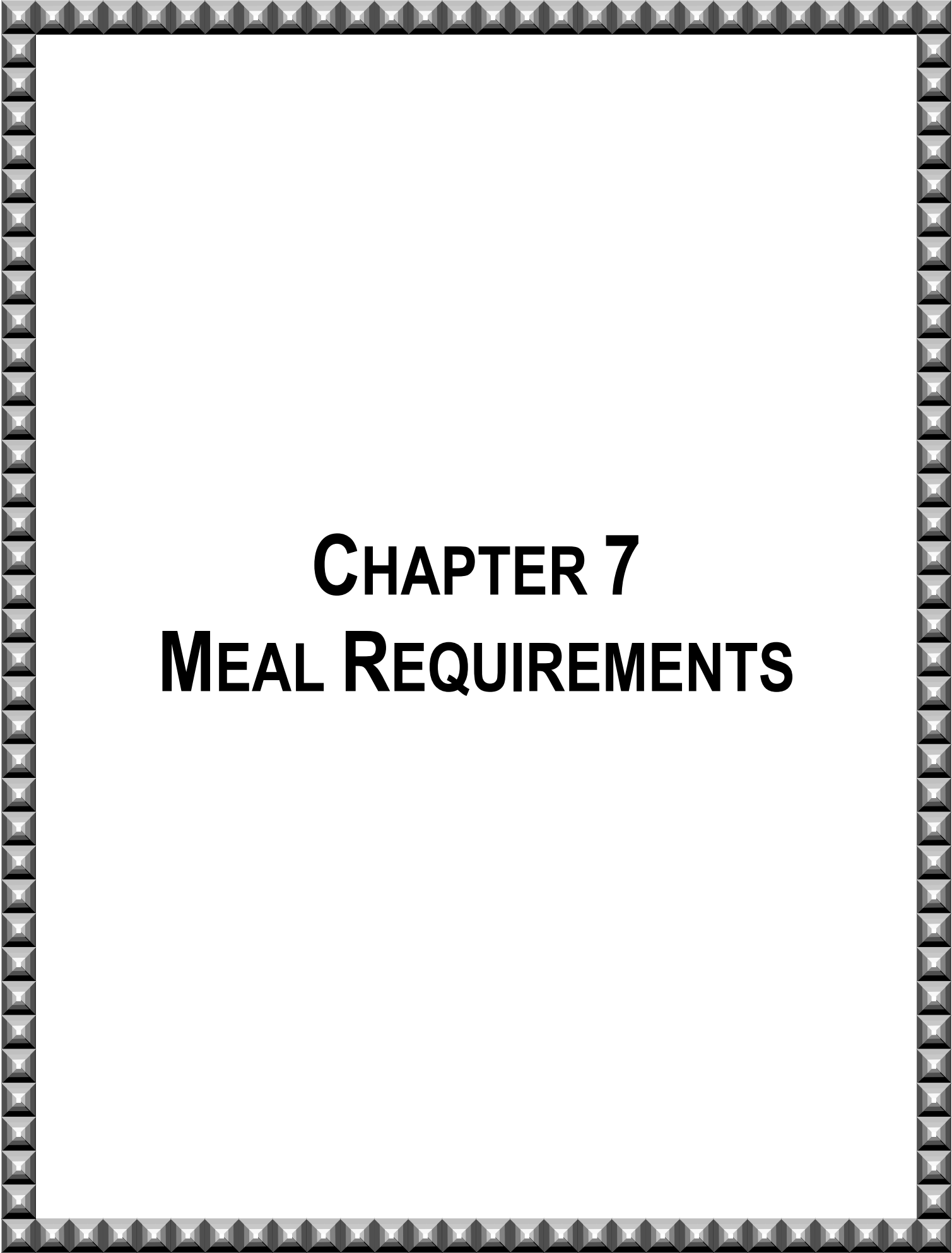
Individuals who would like to file a complaint of discrimination may also call the WRO civil rights hotline at 1-888-271-5983.

**Section 6.3: Other Requirements**

In addition to the information outlined in Sections 6.1 and 6.2, sponsors must also meet the following requirements:

- “...*And Justice For All*” poster – must be displayed in a prominent area of the facility visible to program recipients, their families, personnel, visitors and others. Each site that participates in the CACFP must have its own poster. Sponsors with multiple sites may request for additional copies by contacting the ADE/CNP Office. Suitable substitutes for outdoor use may be made if necessary.
- CACFP information/materials – must include the non-discrimination statement in languages appropriate to the local population. The non-discrimination statement must be printed using the same font and size as the text. Other CACFP materials in alternative means (such as, but not limited to, large print) of communication must be available. The non-discrimination statement is as follows:

“The USDA prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, age, or disability.”



# **CHAPTER 7**

## **MEAL REQUIREMENTS**

**Section 7.1: Meal Pattern**

The requirements of the CACFP meal pattern were designed to assure the nutritional needs of participants are met. The meal pattern specifies the types (components) and amounts (portion sizes) of food that must be offered to be eligible for reimbursement. Programs participating in the CACFP must serve meals to *all* enrolled participants.

Food Components	Adult Participant
<b>Breakfast:</b> 1. Milk, fluid 2. Vegetable(s) and/or fruits or Full-strength vegetable or fruit juice or an equivalent of any combination of vegetable(s), fruit(s) and juice. 3. Bread and bread alternates (whole grain or enriched) Bread or cornbread, biscuits, rolls, muffins, etc. or cold dry cereal or cooked cereal, pasta or noodle product or cooked cereal grains or an equivalent quantity of any combination of bread/bread alternate.	1 cup 1/2 cup 1/2 cup 2 slices (servings) 2 servings 1 1/2 cups <b>or</b> 2 oz. 1 cup 1 cup
<b>Lunch:</b> 1. Milk, fluid 2. Vegetable(s) and/or fruits 3. Bread and bread alternate or cornbread, biscuits, rolls, muffins etc. or cooked pasta or noodle products or cooked cereal or grains or an equivalent quantity of any combination of bread/bread alternate. 4. Meat and meat alternate Lean meat or poultry or fish or cheese or eggs or cooked dry beans or peas* or peanut butter or soynut butter or other nut or seed butters** or peanuts, soynuts or tree nuts or seeds or an equivalent quantity of any combination of the above meat/meat alternate.	1 cup 1 cup total 2 slices (servings) 2 servings 1 cup 1 cup 2 oz. 2 oz. 1 egg 1/2 cup* 4 Tbsp** 1 oz. = 50 percent

\*In same meal service, dried beans or dried peas may be used as a meat alternate or as a vegetable; however, such use does not satisfy the requirements for both components.

\*\*No more than 50 percent of the requirement shall be met with nuts or seeds. Nuts or seeds shall be combined with another meat/meat alternate to fulfill the requirement. For purposes of determining combinations, one ounce of nuts or seeds or two tablespoons of nut butter is equal to one ounce of cooked lean meat, poultry or fish.

Food Components	Adult Participant
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<b>Supper:</b> 1. Milk, fluid 2. Vegetable(s) and/or fruit(s) 3. Bread and bread alternates Bread or cornbread, biscuits, rolls, muffins, etc. or cooked pasta or noodle products or cooked cereal or grains or an equivalent quantity of any combination of bread/bread alternates. 4. Meat and meat alternates Lean meat or poultry or fish or cheese or eggs or cooked dry beans or peas* or peanut butter or soynut butter or other nut or seed butters** or peanuts or soynuts or tree nuts or seeds or an equivalent quantity of any combination of the above meat/meat alternate.	None 1 cup total  2 slices (servings) 2 servings 1 cup  1 cup  2 oz. 2 oz. 1 egg 1/2 cup* 4 Tbsp** 1 oz. = 50 percent
<b>Snack (Select two of these four components)</b> 1. Milk, fluid 2. Vegetable(s) and or fruits or Full-strength vegetable or fruit juice or an equivalent of any combination of vegetable(s), fruit(s) and juice. 3. Bread and bread alternates Bread or cornbread, biscuits, rolls, muffins, etc. or cold dry cereal or cooked cereal, pasta or noodle product or cooked cereal grains or an equivalent quantity of any combination of bread/bread alternate. 4. Meat and meat alternatives Lean meat or poultry or fish or cheese or eggs or cooked dry beans or peas* or peanut butter or soynut butter or other nut or seed butters** or peanuts or soynuts or tree nuts or seeds or yogurt, plain or sweetened and flavored or an equivalent quantity of any combination of the above meat/meat alternates.	1 cup 1/2 cup 1/2 cup  1 slice (serving) 1 serving 3/4 c. or 1 oz 1/2 cup  1/2 cup  1 oz. 1 oz. 1 egg 1/4 cup* 2 Tbsp** 1 oz. 4 oz. or 1/2 cup

\*In same meal service, dried beans or dried peas may be used as a meat alternate or as a vegetable; however, such use does not satisfy the requirements for both components.

\*\*No more than 50 percent of the requirement shall be met with nuts or seeds. Nuts or seeds shall be combined with another meat/meat alternate to fulfill the requirement. For purposes of determining combinations, one ounce of nuts or seeds or two tablespoons of nut butter is equal to one ounce of cooked lean meat, poultry or fish.

### Section 7.2: Offer vs. Served

The U.S. Department of Agriculture implemented an alternate meal pattern for adult day care centers. The final rules were effective August 1993. The plan has an *optional* Offer Versus Serve (OVS) component to provide flexibility for those with lower caloric needs. This meal pattern meets approximately one-third of the daily RDA.

The OVS is a provision to be implemented at the discretion of the day care center. The intent is to reduce plate waste by allowing participants to choose only those foods they wish to consume. Over time, centers will be able to reduce the amount of food that they purchase by observing their clients' food preferences.

If a center chooses OVS, all of the servings of the components in the meal pattern must be offered. However, the adult participant may decline one serving during breakfast and up to two servings at lunch and supper. Snack will remain the same. Participants are not required to refuse food items. Assistance in meal component selection may be necessary in order to provide well-balanced meals.

Centers with vendors or pre-plated meals systems may offer items such as cartons of fluid milk or individually wrapped bread, rolls or crackers. OVS may not be possible in all cases since not every pre-plated meal allows the option of declining or taking a small portion of any one or two of the required food items. Again, OVS is an option provided to the center; the meal pattern is not optional. Offer vs. Served will not affect the rate of reimbursement.

The OVS meal pattern is as follows. Breakfast requires four components, lunch requires six components and supper five components. Snack remains the same as the traditional meal pattern (any two of the four meal pattern components).

BREAKFAST	LUNCH	SUPPER
1 Milk serving 1 Fruit/Vegetable serving 2 Bread servings	1 Milk serving 2 Fruit/Vegetable servings 2 Bread servings 1 Meat serving	0 Milk servings 2 Fruit/Vegetable servings 2 Bread servings 1 Meat serving
OVS - May decline any one (1) serving	OVS - May decline any two (2) servings	OVS - May decline any two (2) servings

**Section 7.3: Component Requirements**

The following requirements must be met in preparing a creditable meal. For further information on creditable and non-creditable food items, please refer to the *CACFP Creditable Foods and Buying Guide*. To obtain a copy of the buying guide, please contact the Child Nutrition Programs office.

**Meat/Meat Alternate**

- Must be served at lunch and/or supper and may be served as one of the two required components for snack
- May include but not limited to lean meat, fish, poultry, cheese, egg, yogurt, cooked dry beans/peas, peanut butter, other nut or seed butters
- Peanut butter meets only 50% of the required portion for lunch and or supper
- Dry beans or peas may count as a meat/meat alternate or vegetable/fruit requirement, but not both in the same meal
- Cannot contain binders or extenders
- Commercially prepared food products must be CN-labeled or a product analysis sheet must be obtained from the food manufacturer to determine the meat/meat alternate contribution toward the meal pattern
- Cottage cheese, cheese food or cheese spread must be served at twice the quantity as natural or processed cheeses

**Fruit/Vegetable**

- Breakfast must contain one serving of fruit/vegetable
- May be served as one of the two required components for snack
- Fruit juice must be 100% full strength
- Juice may not be served if milk is the only other component
- Lunch/supper must contain two servings of fruit and/or vegetable from two different sources
- Combination fruit or vegetable dishes count for one fruit/vegetable component
- Dry beans or peas may count as a vegetable/fruit requirement or meat/meat alternate, but not both in the same meal

**Grains/Breads**

- Must be served at breakfast, lunch and/or supper and may be served as one of the two required components for snack
- Must serve the customary function of bread in a meal; for lunch/supper, it must be served as an accompaniment to or a recognizable integral part of the main dish and not merely as an ingredient
- May include but not limited to rolls, muffins, cornbread, biscuits, cooked or cold dry cereal, pasta, noodle products, or cereal grains

**Grains/Bread (continued)**



- Bread alternates high in sugar and fat must be limited to two times a week and may only meet the grain requirement for breakfast or snack.
- Must be whole-grain or enriched

**Milk**

- Fluid milk must be served at breakfast and lunch and may be served as one of the two required components for snack
- Fluid milk means pasteurized fluid unflavored or flavored skim milk, low fat milk, whole milk, or cultured buttermilk, all of which must meet State and local standards of such milk
- May be served as a beverage and/or poured over cereal
- If fruit juice is served for a snack, fluid milk may not be served as the only other component

**Section 7.4: Types of Meal Service**

Meals claimed under the CACFP must be consumed at the adult care facility and may be served unitized or family-style.

**Unitized**

Under this method of meal service, meals are portioned or pre-plated to meet the minimum meal pattern requirement for each participant. The minimum portion of each required food component must be served to the participant all at one time. Sponsors who ration out small portions of each food component because of the possibility of spillage or food waste do not meet CACFP requirements and will result to disallowing the meal(s).

**Family-Style**

This method of meal service requires sufficient amounts of each food component is placed on the table to provide the required minimum portions for all the participants at the table and to accommodate Program staff supervising the meal service if they eat with the participants.

Participating supervising staff must assume an active responsibility in offering the participant the full required minimum portion of each food component.

## Section 7.5: Requirements of Meal Service

### Allowable Meals

The following meals/snacks may be claimed for reimbursement:

Meals	Snacks
• Breakfast	• AM Snack
• Lunch	• PM Snack
• Supper	• Night Snack

Reimbursement is limited to two meals and one snack, two snacks and one meal, or three snacks, per participant per day.

### Meal Times

When planning meals, sponsors should keep in mind the food needs of participants, their ages, time of their arrival and length of stay at the center.

Meals must be served within the customary meal times and within the claimable duration of food service. The CACFP defines customary meal time as the “normal” time when a meal is served. For example, breakfast should not be served at 10am. If participants arrive at this hour, they should be served an AM snack.

Meals claimed for reimbursement should be served within the customary meal times not exceeding the claimable duration of food service allowed as indicated below:

Meal Type	Customary Meal Times	Claimable Duration of Food Service
Breakfast	6am-9am	1 ½ hours
AM Snack	Between B & L	1 hour
Lunch	11am-1pm	2 hours
PM Snack	Between L & S	1 hour
Supper	5pm-7pm	2 hours
Night Snack	After 7pm	1 hour

Meals should be scheduled far enough apart so the participant has an appetite for the next meal. The CACFP requires a minimum of a two-hour span between the beginning of each meal. The following are examples of two-hour span between meals and claimable duration of food service:

Meal Type	Meal Times Example I	Meal Times Example II	Meal Times Example III
Breakfast	7-8:30am	8-9am	6-7:30am
AM Snack	9-10am	10-10:30am	9-9:30am
Lunch	11am-1pm	12-1pm	11am-12pm
PM Snack	2-3pm	2-2:30pm	1:30-2:30pm
Supper	5-7pm	5-6:30pm	5-6pm

### **Meal Counts**

The CACFP *requires* that meal counts be taken at point of service. Point of service may be conducted under any of the following guidelines:

- At the very beginning of the meal where participants are seated around the table or as they come through a tray line
- During meal time where participants are concurrently partaking of the meal
- Towards the end of the meal before the participant gets up from and leaves the table

**Section 7.6: Types of Meal Preparation**

The type of meal preparation a sponsor chooses depends on their own operations, type of menu, availability of food service equipment, food preparation space, staffing, budget and other factors.

**On-Site Preparation**

Meals are prepared and served at the same site. This is the most economical method provided the facility has a full kitchen, proper food preparation equipment and available staff.

**Central Kitchen**

All meals are prepared at a central location and delivered to other sites that are under the same sponsoring organization. Proper food service equipment must be available to transport and maintain temperature levels for hot and cold foods as required by State and local health standards.

**Contract With a School Food Service Provider**

Food service system where a public or private nonprofit school provides meals that meet CACFP requirements to a adult care facility. CACFP sponsors who contract with a school food service provider that participates in the National School Lunch Program or the National School Breakfast Program, may substitute the meal pattern requirements of those Programs for the meal pattern requirements of the CACFP.

A copy of the standard school food service provider contract is available upon request from ADE. A sponsor who enters into a written agreement or contract with a school food service provider does not relieve itself from the responsibilities of Program compliance. A copy of the signed contract must be submitted prior to Program operations and reimbursement of meals.

**Contract With a Food Service Vendor**

The sponsor enters into a written agreement or contract with the food service vendor to provide meals that meet CACFP requirements. A copy of the standard food service vendor contract is available upon request from ADE. Signing a contract with a food service vendor does not relieve the sponsor from the responsibilities of Program compliance. A copy of the signed contract must be submitted prior to Program operations and reimbursement of meals.

## Section 7.7: Requirements of Meal Preparation

### Menus

The CACFP requires that menus posted at adult care facilities must indicate the required components that meet the meal pattern requirements. To assist with meal planning, menus must be planned at least one week in advance. Consider the following when planning menus:

- Costs – Purchase fresh fruits/vegetables that are in season. Fresh produce tends to be more expensive if bought when not in abundance.
- Variety – Prepare a food item in different ways. Instead of serving mashed potatoes, try preparing scalloped or oven-baked potatoes. Serve foods with a variety of color, texture, flavor and temperature.
- Dietary Guidelines - Following the guidelines will assist in planning healthier meals.
- Staff – Take into account the employee who prepares the meals, their experience and skill in planning and preparing meals.
- Time – Keep menus simple. Use recipes that require the least preparation time.

A cycle menu is a series of menus that are used repeatedly over a designated period of time. The CACFP requires a four-week cycle at the minimum. Cycle menus must be coded or numbered to correspond with production worksheets (i.e., Week 1, Monday may be coded as W1-M). The code or number must be recorded on the daily meal count sheet to track what cycle was used each day.

Changes that may be due to seasonal changes or food substitutions must be noted on the menu or cycle menu and the appropriate calculation adjustments must also be made on the corresponding production worksheet.

For further information on menu planning please refer to the *CACFP Creditable Foods and Buying Guide*. To obtain a copy of the buying guide, please contact the Child Nutrition Programs office.

### Production Worksheets

Production worksheets may be used to ensure that sufficient amounts of food were prepared for the number of participants claimed and staff served. Production worksheets should be completed in advance, prior to meal preparation and used as a tool to:

- Plan for the amount of food needed
- Be used as a food purchase list
- Record actual amounts of food used

New sponsors are required to maintain production worksheets for every meal claimed for CACFP reimbursement. Production records must be maintained until a CACFP Specialist determines that the meals served are sufficiently meeting CACFP meal pattern requirements. After such determination, production records may be maintained on a voluntary basis. If at any time ADE, or a representative thereof, determines that there is not adequate documentation to support fulfillment of the meal pattern requirements, production records will again be required for all meals.

Blank production worksheets and instructions for completing them are included in the *CACFP Creditable Foods and Buying Guide*. To obtain a copy of the buying guide, please contact the Child Nutrition Programs office.

**Section 7.8: Food Substitutions/Modifications**

Meals served to participants and claimed for reimbursement must meet the meal pattern requirements. Food substitutions or modifications may be made if a participant is unable to consume foods as listed in the meal pattern due to medical reasons or other special dietary needs. Meals containing substitutions because of medical or special dietary needs may be claimed only when supported by a statement from a recognized medical authority. It must include a list of recommended food substitutes or alternate foods and the food or foods to be omitted from the participant's diet. A recognized medical authority may include but is not limited to a medical physician, registered nurse or registered dietitian. Medical statements for food substitution(s) must be maintained on file at the site.

Generally, individuals with food allergies or intolerances do not have a disability as defined under 7 CFR 15b.3 of the USDA's nondiscrimination regulations. Sponsors are *strongly* encouraged but not required to make substitutions for them. However, when food allergies may result in severe, life-threatening (anaphylactic) reactions, the participant's condition does meet the definition of *disability*, and the substitutions *must* be made.

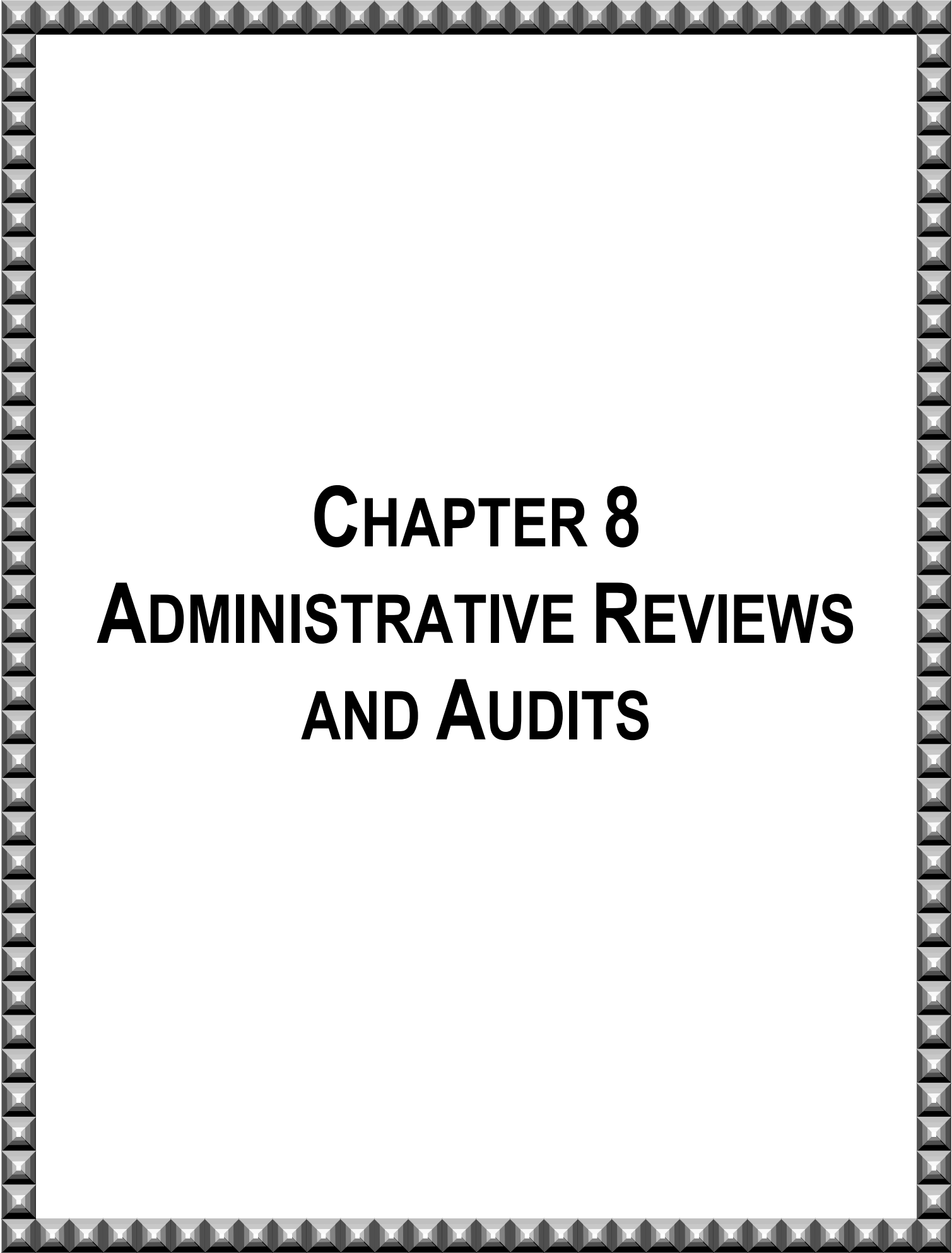
Food substitutions due to religion or personal preferences may be made provided the food substitution(s) meet the meal pattern requirements (i.e., component and portion size). Substitutions must be documented and maintained on file. If substitutions do not meet the meal pattern, that meal cannot be claimed for reimbursement.



**Section 7.9: Convenience Foods**

Processed foods, commercial products or convenience foods such as breaded meat products, frozen pizza or other combination foods that are served to meet more than one component must have a CN-label. The CN-label contains a statement that clearly identifies the contribution the product makes toward the meal pattern requirements. A product analysis sheet signed by the food manufacturer must be obtained if the convenience food does not have a CN-label. The product analysis sheet must state the amount it contributes toward the meal pattern requirements. All documentation regarding convenience foods must be maintained on file. If no information is available at the time of an audit or review, meals containing the convenience food(s) may be disallowed.

For further information on documenting convenience foods, please refer to the *CACFP Creditable Foods and Buying Guide*. To obtain a copy of the buying guide, please contact the Child Nutrition Programs office.



# **CHAPTER 8**

## **ADMINISTRATIVE REVIEWS AND AUDITS**

**Section 8.1: Frequency****TECHNICAL ASSISTANCE VISITS**

ADE strives to visit all new sponsors within the first ninety (90) days of participation in the CACFP. A CACFP Specialist will review Program records and recordkeeping procedures and provide technical assistance as needed. Pre-approval visits allow the Specialist to identify any potential problems that may arise and provides the opportunity to assist in correcting them.

**REVIEWS**

Sponsors of the CACFP are subject to administrative reviews conducted by ADE/CNP staff, by duly authorized Program consultants or by USDA staff. Sponsors are notified two to four weeks ahead of time prior to the review date. The ADE/CNP reserves the right to conduct unannounced reviews. Federal regulations do not require advance notification.

Administrative reviews are conducted:

- Every three years at a minimum.
- Within the first ninety (90) days during the first year of participation. This applies to sponsors who have five or more sites.
- At least once a year until deficiencies are corrected. This applies to sponsors found to be seriously deficient at the first review.

The scope of review involves records for the current fiscal year.

**AUDITS**

Audits shall be conducted in accordance with Circulars A-128 and A-110 of the Office of Management and Budget and the Uniform Federal Assistance Regulations (7 CFR part 3015) of the USDA. Audits are conducted by ADE/CNP staff or duly authorized Program consultants. Sponsors are notified prior to the audit date. The ADE/CNP reserves the right to conduct unannounced audits. Federal regulations do not require advance notification.

Administrative audits are conducted based on the total federal assistance expended.

Audits encompass the current fiscal year and/or a closed fiscal year. An audit may be conducted during a current fiscal year; however, the scope of audit may involve records from a prior fiscal year.

**AGREED UPON PROCEDURES ENGAGEMENTS**

Because audits are based on Program reimbursement, not all sponsors will meet the financial threshold for audit requirements. Such sponsors may undergo an Agreed Upon Procedures Engagement instead. An Agreed Upon Procedures Engagement is similar in scope to an audit and will focus on many of the same areas.

**Section 8.2: Program Compliance/Verification**

As part of the CACFP review or audit, all records to support any claims filed for reimbursement must be made available, authorizing ADE/CNP staff and duly authorized consultants access to examine and copy such records and inspect facilities during normal business hours.

Fiscal action may be taken for violations found under the following areas:

- Classification of participants under free, reduced or paid categories.
- Sign-in/sign-out, enrollment, attendance records.
- Title XIX and/or Title XX records (applicable to for-profit sponsors).
- Meal count records and point-of-service meal count system.
- Menus and production worksheets.
- Reimbursement claim forms.
- Administrative and operating labor costs and purchased services.
- Costs for food and supplies.
- Income to the program (staff meals in excess of the 5:1 ratio/donated food).
- Free and reduced price eligibility process.

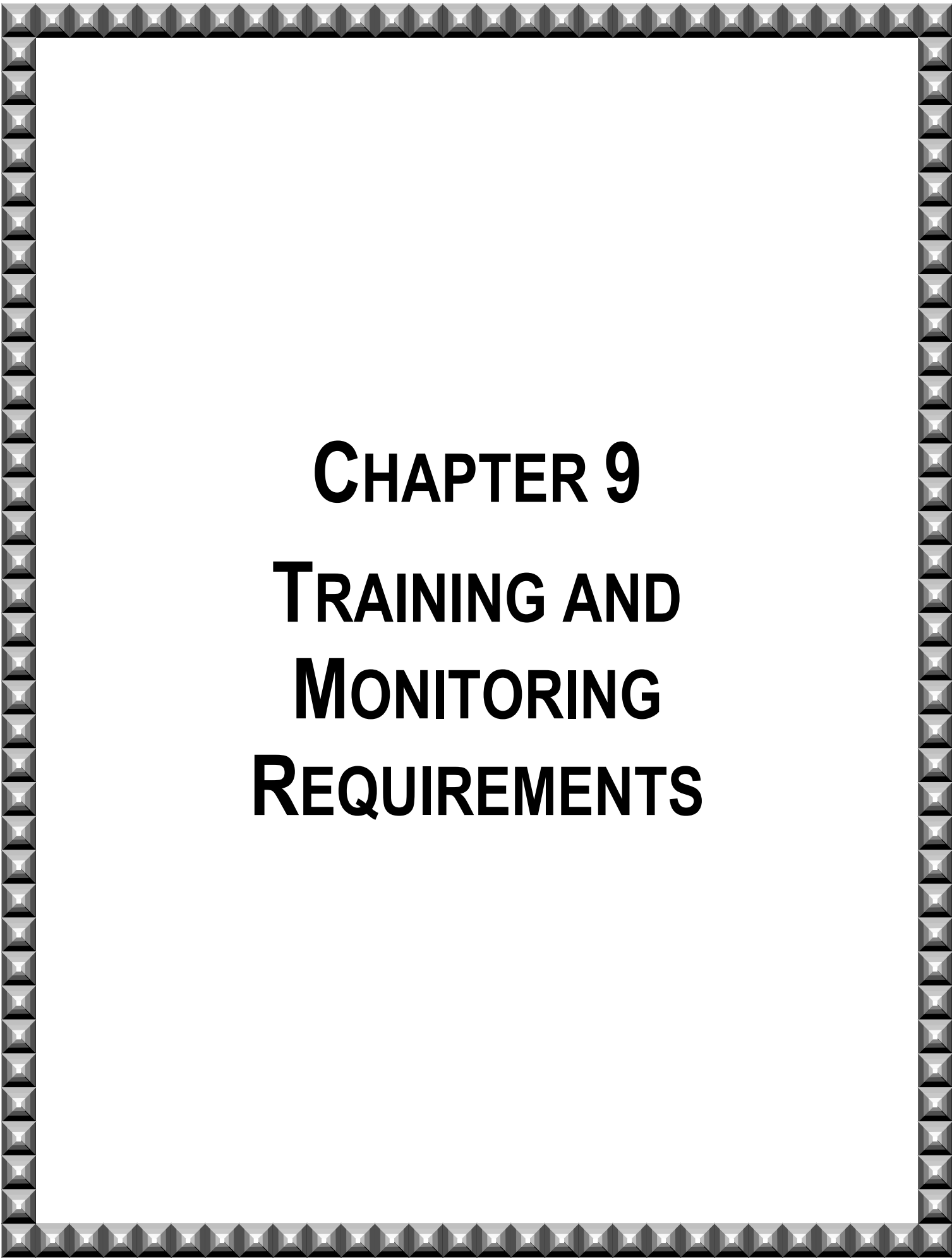
Corrective action may be required for violations found under the following areas in addition to areas stated above:

- Required recordkeeping
- Civil rights compliance.
- Training and monitoring responsibilities
- Current license, health/safety inspections, sanitation permits.
- Current Food Service Agreement.
- Procurement/purchasing standards.
- Tax-exempt status (non-profit status).

Conditions by which a sponsor will be considered seriously deficient may include, but not limited to the following:

- Noncompliance with applicable bid procedures and contract requirements.
- Submission of false information to the ADE/CNP.
- Failure to maintain Program records.
- Claiming meals not served to participants.
- Serving meals that do not contain required components or amounts.
- Continued use of food service providers/vendors who are in violation of health codes.

Sponsors determined to be seriously deficient who do not satisfactorily implement or maintain corrective action shall be terminated from CACFP. For more information on serious deficiencies, please refer to Chapter 12. Findings affecting participation or claims for reimbursement may be appealed by following the CACFP Appeal Procedure included in the CACFP application packet.



# **CHAPTER 9**

## **TRAINING AND MONITORING REQUIREMENTS**

### Section 9.1: Training and Monitoring for Sponsors with Multiple Sites

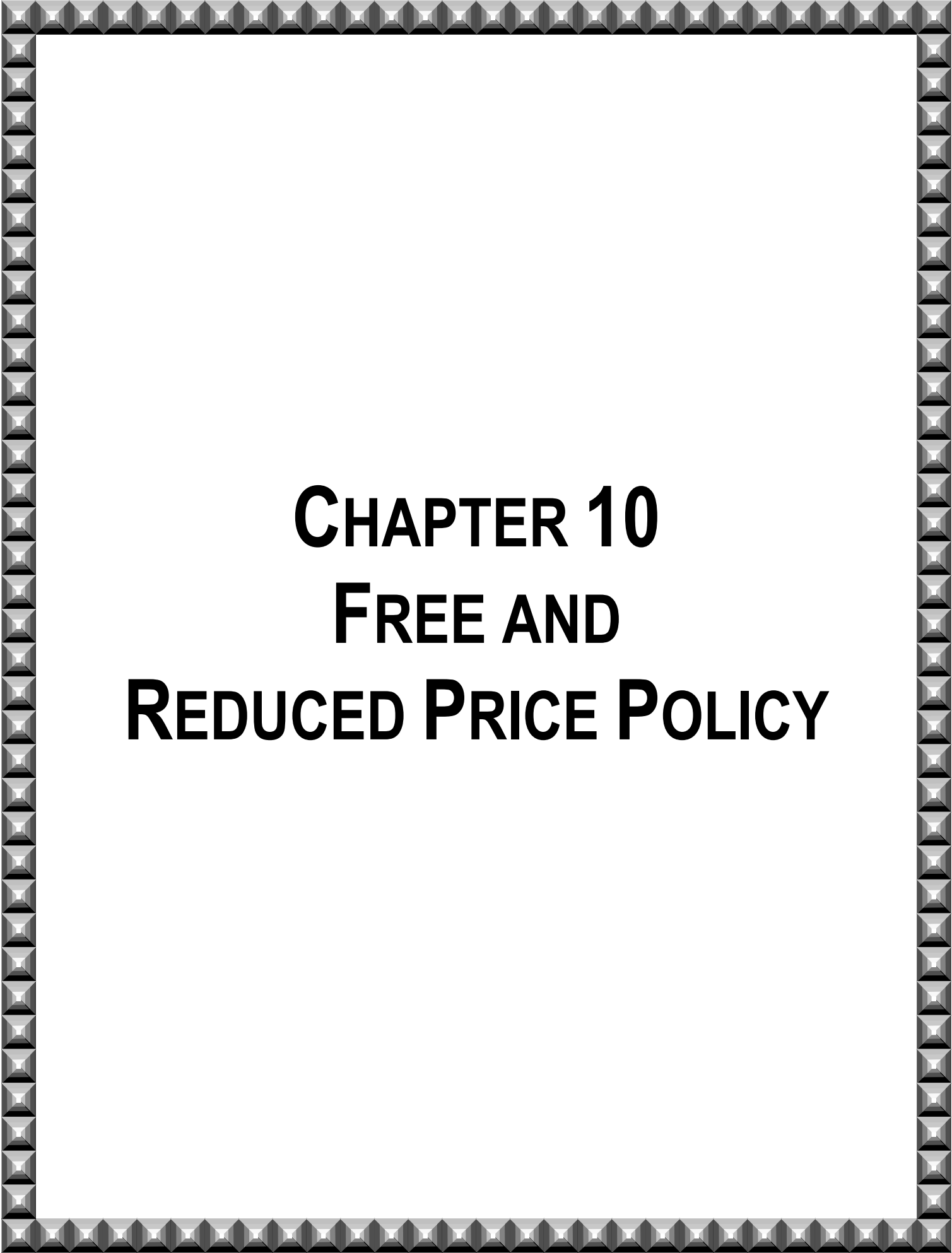
Federal regulations require the ADE/CNP to provide training and technical assistance to CACFP sponsors to facilitate effective Program operations, monitor progress toward achieving Program goals, and ensure compliance with Civil Rights requirements. The CACFP requires that sponsors with multiple sites provide adequate training for personnel who are involved in Program operations and to monitor Program operations.

The ADE/CNP provides monthly workshops for new sponsors for sponsors who require additional training or more information in Program administration and operation. New sponsors are required to attend all four tracks of the CACFP training workshop before their application will be processed. The CACFP encourages existing sponsors to extend training opportunities to their staff who are responsible for Program operations. The workshops cover the application process, recordkeeping requirements, and menu planning for the CACFP. Information on CACFP workshop schedules may be obtained by calling the ADE/CNP Office or checking the CACFP website.

Sponsoring organizations with multiple sites are required to annually conduct the following:

- **Annual training** – This training must be conducted every year for all personnel responsible for Program operations. Documentation of the date, location, and topics covered, as well as the attendance roster of the staff training must be maintained. Topics covered in the annual training must be related to CACFP administration or operation, food safety and sanitation, or nutrition. The workshops made available by the ADE/CNP may not be used to meet the annual training requirement.
- **Preoperational visit** – For sponsors with more than one site, pre-approval visits must be conducted on sites for which a new application is made. Program information, Program benefits, and verification that the proposed food service does not exceed the capability of the adult care facility must be discussed during such visit. Documentation must be maintained on file at the site. A copy of the *Preoperation Visit Form for Sponsoring Organizations* is included in the CACFP application materials.
- **Monitoring visits** – Site visits must be conducted to assess compliance with the meal patterns, recordkeeping and other Program requirements. At least three (3) reviews must be conducted every year at each adult care center, provided one review is made during the first week of Program operations and not more than six months elapse between reviews. A copy of the *Site Review Form* is included in the CACFP application materials.

All staff involved with the CACFP must be trained in procedures and requirements of the Program prior to the beginning of Program operation and administration.



# **CHAPTER 10**

## **FREE AND REDUCED PRICE POLICY**

**Section 10.1: Non-Pricing Policy**

Federal regulations require sponsors who administer the CACFP to submit a free and reduced-price policy statement to serve meals to enrolled participants at no separate charge at the time a Program application is submitted. Sponsors cannot participate in the CACFP until ADE has approved the free and reduced-price meals policy statement.

Sponsors who elect to serve meals at no separate charge shall develop a policy statement that includes an assurance to ADE that all participants are served the same meals at no separate charge regardless of race, color, national origin, sex, age, or disability. For convenience, ADE/CNP has developed a non-pricing policy that, once signed by the sponsor will fulfill the aforementioned requirement. The *Free and Reduce-price Policy Statement* is included in the CACFP application packet.

ADE reserves the right to review all approved free and reduced-price meals applications and verify information provided on the approved income application for free and reduced-price meals during Program reviews and audits. ADE shall inform the sponsor of the results of the verification effort and the action that will be taken in response to the verification findings.



**Section 10.2: Pricing Policy**

Sponsors who charge separately for meals shall develop a policy statement for determining eligibility for free and reduced-price meals. Reimbursement will be made only for meals served to participants who qualify for such meals. The policy statement shall include the following:

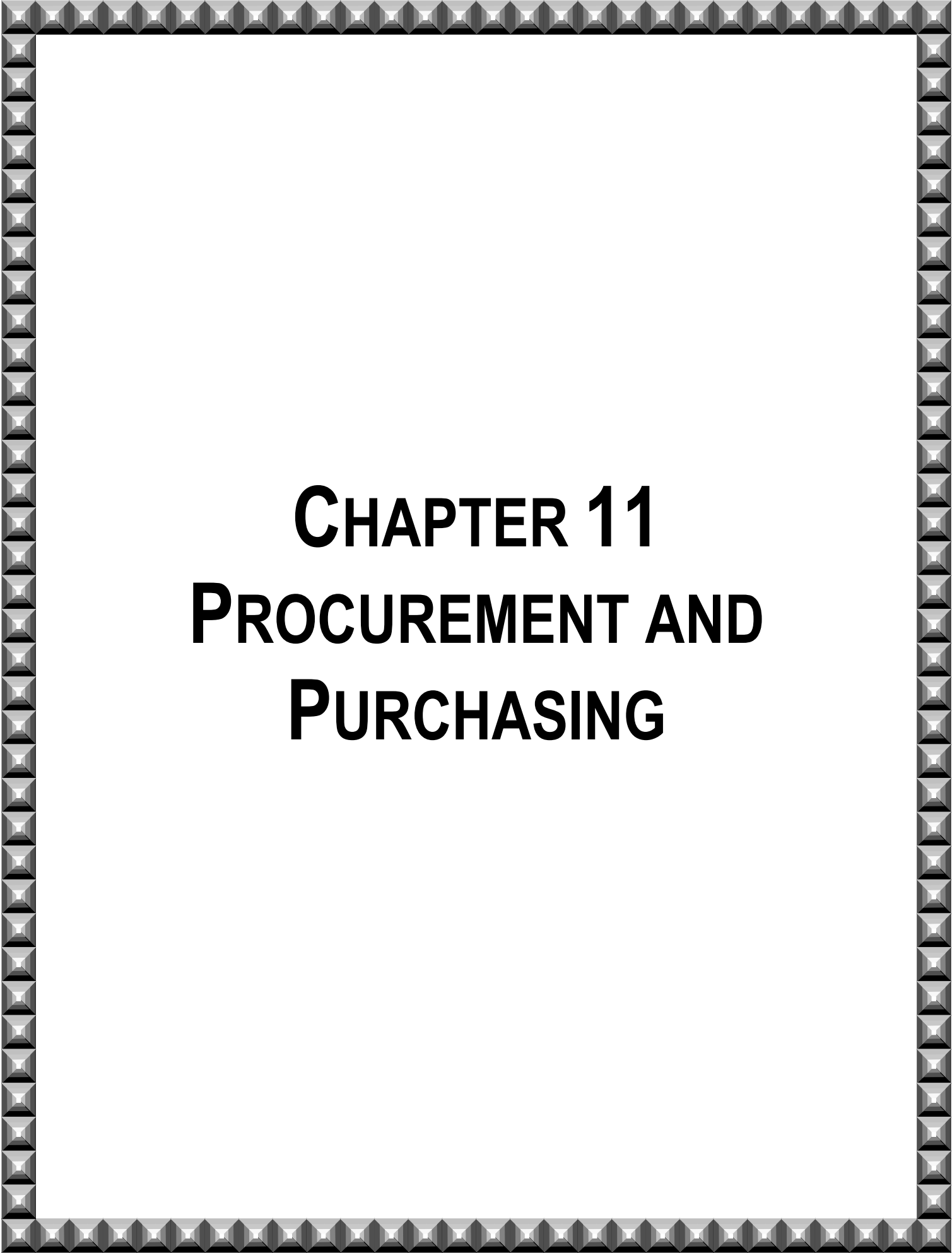
- Process of determining eligibility for free and reduced-priced meals.
- Description of the method(s) to be used in accepting income applications from families for free and reduced-price meals.
- Description of the method(s) to be used to collect payments from participants paying full price for meals and methods(s) of maintaining the confidentiality of participants receiving free or reduced priced meals.
- Establish a hearing procedure for use when benefits for free and reduced-price meals are denied or terminated
- Assurance that confidentiality will be maintained for participants receiving free and reduced-price meals and there will be no discrimination against any participant on the basis of race, color, national origin, sex, age, or disability.
- Assurance charges for reduced-price lunch/supper will not exceed 40 cents, reduced-price breakfast will not exceed 30 cents, and reduced-price supplement will not exceed 15 cents.
- Submit a public release to the media serving the area from which the center draws its attendance. The public release shall include the nondiscrimination statement and the availability of the free and reduced-price meals to participants meeting the approved eligibility criteria.
- Notify households or guardians of enrolled participants in writing of the eligibility and application procedures, income standards, and the household's responsibility to notify the sponsor of any loss of income, increase or decrease of income over \$50 per month or \$600 per year. Notification must also include the nondiscrimination statement.

ADE reserves the right to conduct verification of eligibility for free and reduced-price meals and verify information provided on the approved income application for free and reduced-price meals on an annual basis. ADE shall inform the sponsor of the results of the verification effort and the action that will be taken in response to the verification findings.

**Section 10.3: Public Release**

Sponsors are required to submit a public release to a local media in the area(s) where the CACFP will be administered at the time an initial application is made to participate in the Program. The public release must include the nondiscrimination statement. For convenience, ADE/CNP has developed a public release which is provided in the CACFP application packet.

The ADE/CNP assumes responsibility to submit a public release annually for sponsors who renew their application to participate in the CACFP. The public release notifies the media of all the sponsors' intent to administer and operate the Program without discrimination on the basis of race, color, national origin, sex, age, or disability.



# **CHAPTER 11**

## **PROCUREMENT AND PURCHASING**

**Section 11.1: Requirements**

Sponsors participating in the CACFP must comply with the provisions of existing federal, state and local procurement requirements. All procurement transactions, regardless of the method used, shall be conducted in a manner that provides maximum open and free competition. Procurement procedures shall not restrict or eliminate competition. Examples of restrictive competition include, but not limited to:

- Placing unreasonable requirements in order for them to qualify to do business.
- Noncompetitive practices between firms.
- Organizational conflicts of interest.
- Unnecessary experience and bonding requirements.

Sponsors shall maintain the Purchasing and Procurement Standards which shall govern and state that no officers, employees or agents involved in all contractual and administrative issues supported by Program payments shall participate in the award or administration of a contract supported by Federal funds if a conflict of interest would be involved. A conflict of interest would arise when an employee, officer or agent, any immediate family member, partner, or organization which employs, or is about to employ any of the above, has a financial or other interest in the firm selected for the award. No officer, employee, or agent shall either solicit or accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to sub-agreements. Violation of standards shall provide for penalties, sanctions, or other disciplinary action.

**Section 11.2: Procurement Thresholds**

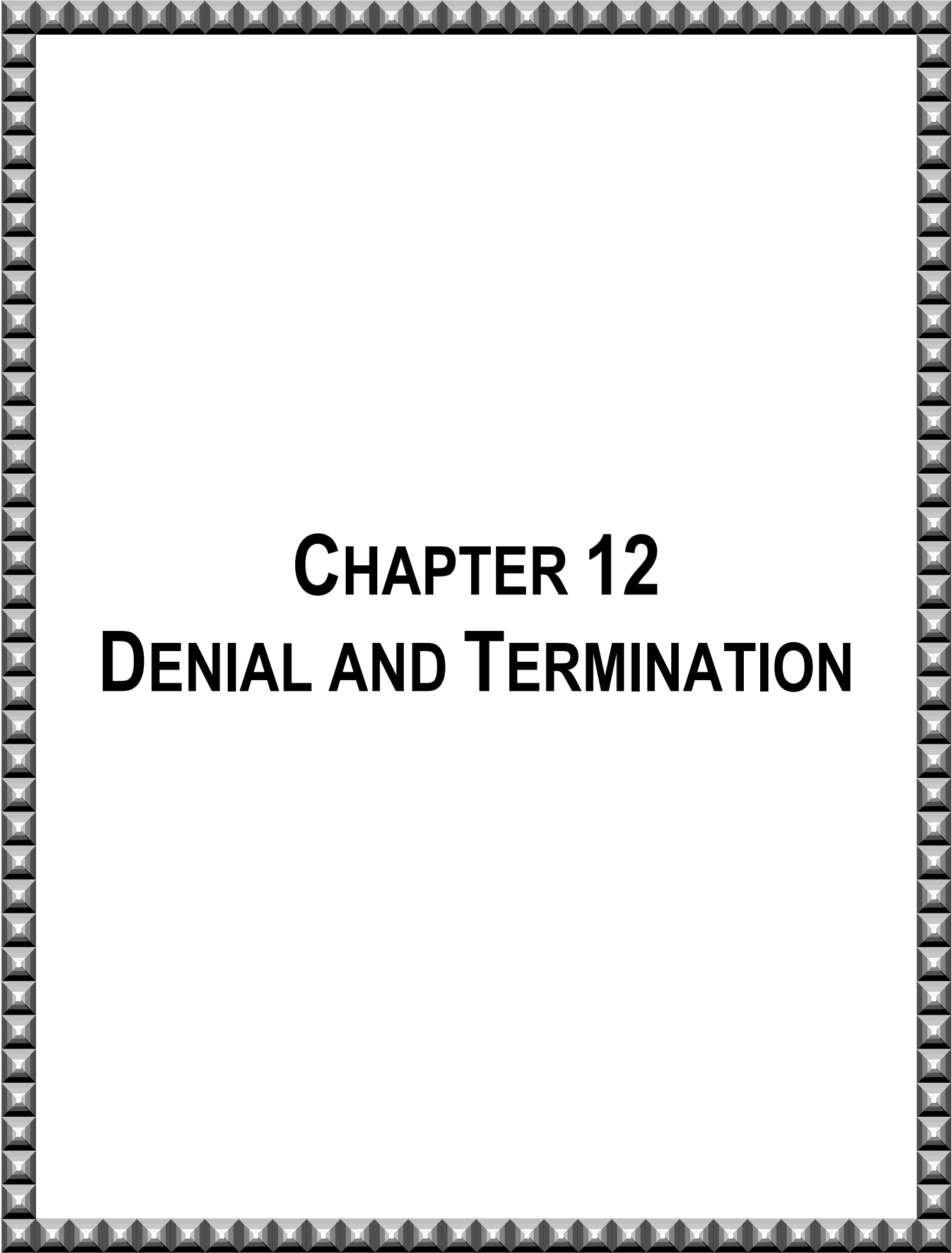
- For purchases less than \$5,000 – bidding is not essential, but sponsors should utilize procedures that provide adequate and reasonable competition.
- For purchases between \$5,000 and \$14,999.99 – solicit at least three verbal quotes.
- For purchases between \$15,000 and \$31,338.70 – solicit at least three written quotes.
- For purchases \$31,388.71 and over – solicit sealed bids or proposals through a competitive process (RFP, IFB – refer to Section 11.3 for more information on these processes).

**Section 11.3: Procurement Methods**

The CACFP requires sponsors to maintain documentation of any method of procurement. Documentation shall include but not limited to: the rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the cost or price. Procurement in the CACFP may be made by one of the following methods:

- Small purchase procedures – Simple and informal method of procurement wherein sound and appropriate procurement of services, supplies and other property with an aggregate cost no more than \$31,338.70. Price or rate quotation shall be obtained from an adequate number of qualified sources.
- Competitive sealed bids – Formal advertising wherein sealed bids publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the bidder who conformed with all material terms and conditions of the Invitation For Bid (IFB) and is lowest in price. If using formal advertising for procurement, requirements/conditions must include the following at a minimum:
  - A complete, adequate and realistic specification or purchase description clearly defines the items or services needed for bidders to respond appropriately to the IFB.
  - Selection can be made principally on the basis of the lowest price.
  - Two or more bidders are willing and able to compete effectively for the contract.
  - All bids shall be publicly advertised and solicited from an adequate number of known suppliers.
  - All bids shall be opened publicly at the time and place stated in the IFB.
  - The firm-fixed-price contract shall be awarded to the lowest bidder who conformed to the IFB by written notice.
  - Any or all bids may be rejected when there are sound documented business reasons in the best interest of the Program.
- Competitive negotiation – Proposals are requested from a number of sources wherein negotiations are conducted with more than one of the sources submitting offers. A Request for Proposal (RFP) is publicized and a fixed-price or cost-reimbursable type contract is awarded, as appropriate. If using competitive negotiation, the following requirements shall apply:
  - Proposals shall be solicited from an adequate number of qualified sources to permit reasonable competition and requests to compete by other sources shall be honored to the maximum extent practicable.
  - The RFP shall be publicized and shall identify significant evaluation factors, including price and cost and relative importance.
  - Provide procedures for evaluating proposals, for determining and selecting the most advantageous proposal.
  - Notify unsuccessful offerors promptly.

- Noncompetitive negotiation – Procurement through solicitation from only one source or after solicitation from a number of sources and competition is determined inadequate. A contract may be awarded by noncompetitive negotiation when circumstances are limited to the following:
  - The item is available only from one single source.
  - When the urgency of the need will not permit delay as a result to competitive solicitation.
  - When FNS authorizes noncompetitive negotiation.
  - Competition is determined inadequate after solicitation from a number of sources.



# **CHAPTER 12**

## **DENIAL AND TERMINATION**



**Section 12.1: Serious Deficiency**

As stated in 7 CFR 226.6(c), serious deficiencies are grounds for disapproval of application and for terminating participation. Serious deficiencies include, but are not limited to any of the following:

- Submission of false information to the SA.
- Failure to return any advance payments.
- Failure to maintain Program records to support claims for reimbursement.
- Claiming reimbursement for meals not served to enrolled participants.
- Serving meals that do not meet Program requirements.
- Failure to comply with applicable bid procedures and contract requirements for food purchases and food service.
- Continued use of food service providers/vendors that are in violation of health codes.
- Failure of a sponsoring organization to disburse payments to its facilities in accordance with the application information.
- History of administrative or financial mismanagement of any Federal child nutrition program.
- Claiming for meals served in a proprietary Title XIX/XX center during any calendar month in which less than 25 percent of enrolled participants or license capacity were Title XIX/XX recipients.
- Failure to comply with Program requirements.
- Inclusion on the USDA national disqualified list.

A sponsor may request for an appeal hearing using the procedures included in the CACFP application packet, if participation was terminated or an application to participate was denied.

**Section 12.2: Application Denial or Termination of Participation**

Federal regulations [7 CFR 226.6(c)] give the SA the responsibility to terminate any adult care institution that has been determined to be seriously deficient in the operation of the CACFP. However, before the SA can terminate an institution, it must give the institution every reasonable opportunity to correct its deficiencies. In the event that an institution is determined to be seriously deficient in its operation of the CACFP, the SA will provide the institution complete notice, which will include all of the following:

- Identification of the problems that have led to the determination of serious deficiency;
- Steps that the institution must take in order to correct the problems;
- Timeline in which the institution must correct the problems;
- Consequences if the problems are not corrected within the specified timeline.

ADE/CNP shall terminate the Program agreement with any sponsor that does not correct serious deficiencies to the satisfaction of ADE. CNP shall notify FNS whenever a sponsor has been terminated due to uncorrected serious deficiencies. Once a sponsor has been terminated due to uncorrected serious deficiencies, that sponsor is placed on a national disqualified list. That sponsor will be ineligible to participate in any Federal child nutrition program until they can demonstrate to FNS that the deficiencies have been permanently corrected. In addition, any institution that has been deemed seriously deficient in the operation of any Federal child nutrition program and is in the process of correcting deficiencies will be prohibited from participating in the CACFP until the deficiencies have been corrected.

Any facility or individual that is identifiable with a seriously deficient facility through its corporate organization, officers, employees, or otherwise, shall also be considered to be ineligible unless it is demonstrated that good cause exists for considering the facility distinct from the seriously deficient facility to the satisfaction of ADE with the concurrence of FNS. Any sponsor that disagrees with their termination will have the right to request an appeal hearing, as set forth in the appeal procedures included in the CACFP application packet.

**Section 12.3: Termination by the Sponsoring Organization**

ADE/CNP requires a sponsor who wishes to terminate its participation from the CACFP to submit 30 days advance written notice of its intent to terminate participation including the date of termination. The SO may terminate its participation for any, but not limited to the following reasons:

- Sale of the center
- Bankruptcy
- Revocation of license
- Unable to meet proprietary Title XIX/XX center requirements after three consecutive months

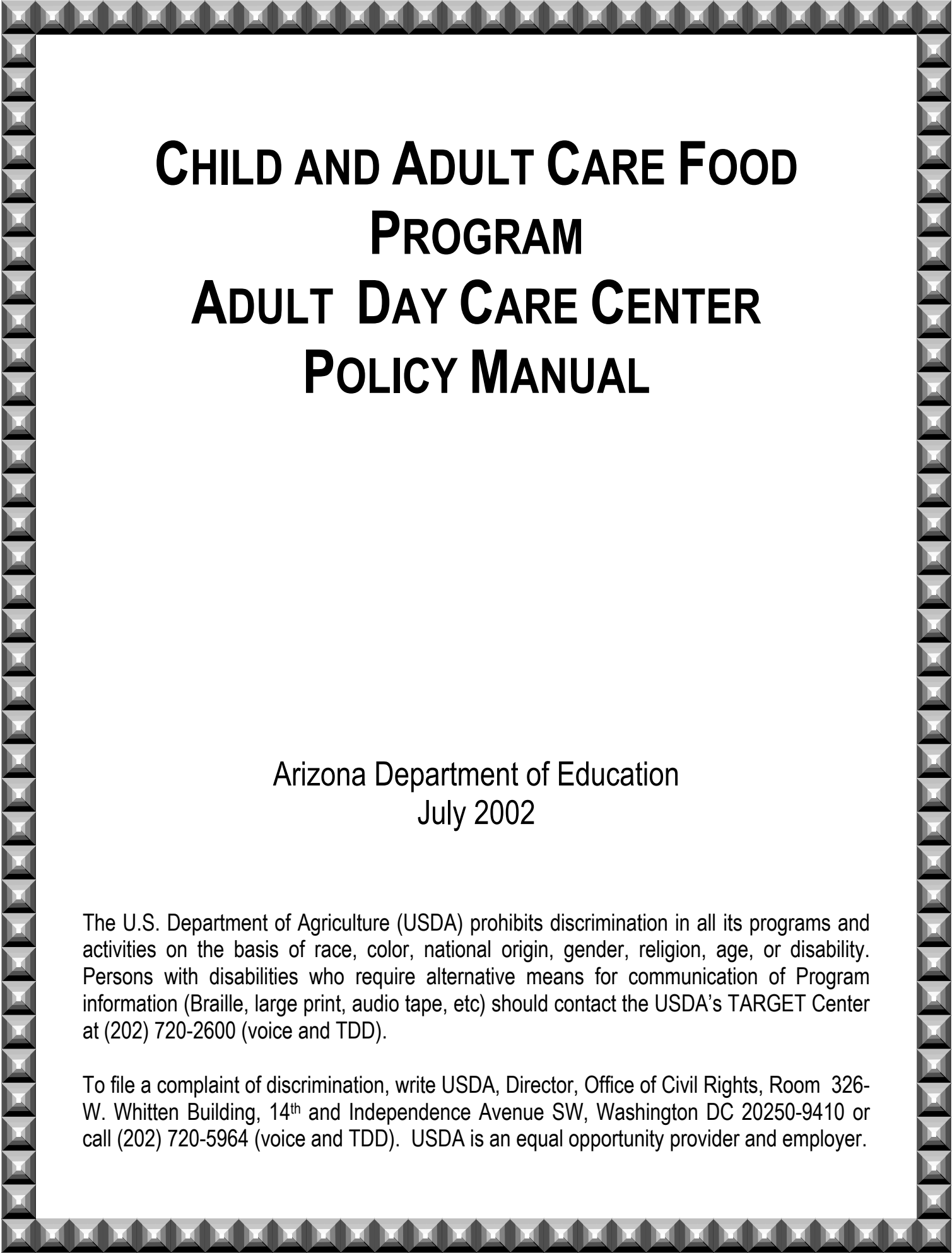
A sponsor that voluntarily chooses to terminate their CACFP agreement may reapply to participate at any time by following the new CACFP application procedures.

**Section 12.4: Appeal Procedures**

A sponsor may appeal any action(s) taken by ADE that affect its payment from or participation in the CACFP. Sponsors may appeal findings resulting from Program audits and/or reviews under one or more of the following conditions:

- Denial of application to participate.
- Termination of participation.
- Suspension of Program agreement.
- Denial of advance payments, or start-up funds for day care homes.
- Denial of all or part of a reimbursement.
- Demand for the remittance of an overpayment.
- Denial of a request for an upward adjustment to a claim.
- Denial by the SA to forward FNS an exception request by the sponsor for payment of a late claim.

To request an appeal, follow the appeal procedures provided in the CACFP application packet.



# **CHILD AND ADULT CARE FOOD PROGRAM ADULT DAY CARE CENTER POLICY MANUAL**

Arizona Department of Education  
July 2002

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, or disability. Persons with disabilities who require alternative means for communication of Program information (Braille, large print, audio tape, etc) should contact the USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14<sup>th</sup> and Independence Avenue SW, Washington DC 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.